

Nominated for  2013

ANDRITZ Hydro GmbH

for its systematic involvement in dam projects which are problematic in ecological and human rights terms

The engineering group ANDRITZ headquartered in Graz employs 23,800 employees in 220 manufacturing plants, sub-sidiaries and sales offices and thus generates annual sales of around EUR 5.18 billion worldwide. Dr. Wolfgang Leitner is chairman of the board and main shareholder of the Certus Holding – GmbH. The Certus Holding – GmbH shares 30% of ANDRITZ which makes Dr. Leitner the main beneficiary of the activities of the ANDRITZ Group. In 2012 the “Wirtschaftsblatt“ (Austrian business newspaper) even called him the "dividend king".

ANDRITZ Hydro GmbH produces hydraulic machines, i.e. water turbines, pumps and secondary techniques for power plants. These are employed in major projects, which are socially and ecologically highly controversial.

Example LAOS: Xayaburi dam

The Mekong River is about 4,500 kilometers long and the tenth largest river in the world. It offers the basic food for 60 million people. 2.6 million tons of fish are annually caught in the world's largest inland fishery. 19-25% of the world's freshwater fish catches originate from the Mekong. Sediments and nutrients are deposited by the free-flowing river in the Mekong Delta where 50% of the main food of Vietnam is grown. The delta area has a population of 17 million people.

In November 2012, the groundbreaking ceremony for the giant Xayaburi dam project worth about three billion euros took place in

Laos. The Austrian engineering group Andritz AG is involved in the construction of power plants and will deliver eight Kaplan turbines for up to 300 million euros. In Finland, the government has raised an inquiry on business conduct of the Finnish group Pöyry, which is also involved in the Xayaburi dam project. 15 civil society organizations from seven countries complained against the company in June 2012.

The impacts of the Xayaburi dam project are serious: the dam will be 820 meters wide and 30 meters high. Eleven hydropower plants are planned on the lower Mekong main stream. And 77 more power plants are planned for the feeder rivers. If this happens it will result in a huge decline in fish stocks and destructive consequences for the Mekong-Delta.

The income from fishing will be reduced to up to 40 percent. In Cambodia, the population covers 82 percent of their protein needs with fish from the Mekong river. Therefore, the Xayaburi hydropower plant represents the largest cross-border threat to food security and the preservation of biodiversity in the countries of Cambodia, Laos, Thailand and Vietnam. The basic food needs of the population are severely compromised by the project.

Without the sediments, which are deposited by the free-flowing Mekong River in the Delta, enormous agricultural surfaces will disappear. The conservation of natural resources of the Mekong is the basis for the lives of 60 million people. For fish species such as the Mekong

giant catfish, which can grow up to three meters long and can get 300 kilograms - the Xayaburi dam would be an insurmountable barrier to their spawning migration upstream.

Currently Laos is driving the project apparently unilaterally with Thailand's tacit support, though the countries represented in the Mekong River Commission declared in December 2011 after a mutual consultation mechanism for dam projects on the main-stream of the common river course, that the currently available evidence on the effects of the planned dam had not been adequately studied. In particular, the downstream countries Vietnam and Cambodia criticize the project because they expect negative effects.

Andritz failed to provide a statement to NeSoVe's request on the dam project Xayaburi.

For Example: Turkey, Ilisu-dam

"Ilisu" on the Tigris River in southeastern Turkey is one of the most controversial dam projects in the world. Andritz AG led for years the consortium for the construction of this project and was involved in the organization of the financing. Andritz AG has repeatedly stated that they will only participate in this project if international standards are met. That was nothing but a pure bluff. In July 2009, when Germany, Austria and Switzerland as well as all European banks announced their withdrawal from the dam project in Turkey because of the catastrophic ecological, cultural and sociological consequences, Andritz did not get out of it. Instead, they violently criticized the decision of the governments and remained in the project. And they are still there. When the European partners copied the move of their governments and left the construction consortium, Andritz took over from them.

The impacts of the Ilisu dam are serious: 400 km original river landscape and habitat for many endangered species would be destroyed. About 60.000 people would have to be resettled. These people do not receive adequate compensation, would be partially expropriated and have to fear for their existence. The people in the region would be de-

prived of their land, their environment and their cultural identity.

The ancient and culturally very significant city of Hasankeyf (for 10.000 years inhabited) would be flooded along with hundreds of other archaeological sites. Hasankeyf and Tigris valley meet the eight out of ten criteria that would be necessary for the UNESCO World Heritage status - more than any other place which already enjoys such protection. The countries bordering Iraq and Syria would get as a consequence of "Ilisu" project even less water than now. The complete obstruction of the Euphrates leads already to massive water shortage in Iraq. "Ilisu" would only aggravate this shortage.

Andritz failed to provide a statement to NeSoVe's request on the Ilisu dam project.

For example Brasil: Belo Monte-dam

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. Similar to the Ilisu project, Andritz AG is involved with a consortium with two other European companies at Belo Monte project and provides technical equipment, especially turbines and generators. For the construction of the power plant more soil is moved than during the construction of the Panama Canal. The costs are mostly borne by the state and are constantly rising.

At the beginning the government estimated the costs of the construction to be around 10 Billion Reals (approx. EUR 3.1 Billion). Now they are talking about 31.2 billion reals (approx. EUR 9.7 Billion). These costs do not include the costs of the transmissions lines, which will be thousands of kilometers long.

"Belo Monte " will not deliver the advocated cheap energy for poor households. Brazilian households already pay much higher rates than energy-intensive industry or private households in France or the United States. Electricity prices for the population also continue to rise. The habitants of the district Pará, where the dam project Belo Monte is situated,

had to accept a rise in costs for energy of 11.5%, whereas the industrial tariff rised by only 4.4%.

The argumentation "hydro power is clean energy" is wrong regarding dams in the tropics: Processes of putrefaction set free methane gas, which is harmful to the climate.

The expected environmental and social impacts of the realization of Belo Monte are already getting reality. 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.

The impact of the Belo Monte dam is serious: The 100 km long " Volta Grande " (Great Loop) of the Xingu is very valuable. 80% of the water from Belo Monte is diverted by it. The river will lead much less water in the region, especial it loses its seasonal level fluctuations, from which the specific biodiversity is dependent and will irretrievably getting lost. Along the 2271 km long riverside around 25,000 indigenous people are living, belonging to 40 different ethnic groups.

Belo Monte is directly affecting around 1000 indigenous people. Their cultural and physical survival is seriously threatened by Belo Mon-

te. A total of about 20.000 to 40.000 people have to be relocated due to the rea-lization of the project. The disregard for their rights is the subject of several lawsuits against ghe approval of Belo Monte. The violation of the ILO Convention 169 for the protection of the rights of indigenous peoples was con-firmed in 2011 by the commission of experts of the ILO in Brazil. However, the legal procee-dings take so long, that more and more facts are created that can not be undone by a later court ruling.

With regard to the effects of the dam project Belo Monte, ANDRITZ AG explained on request of the network: "ANDRITZ supplies only for projects, for which the project owner has all the necessary permits upon our best knowledge and which adhere all common social standards."

ANDRITZ' green vest

ANDRITZ Hydro is member of the Austrian Business Council for Sustainable Development, respACT, and declares itself as CSR enterprise in Austria. ANDRITZ Hydro commits to the CSR-guideline "success with responsibility" and declares: "Commitment to sustainable development involves more than laws compatibility." The ANDRITZ AG justifies its participation in the projects arguing that they only participate as suppliers and that the projects have been approved by national authorities. Regarding Belo Monte ANDRITZ rely on Brazil as a constitutional and democratic state. Therefore there would be no reason to doubt the procedures. The project volumes are huge, Belo Monte alone is estimated to be at 320 millions.

The Austrian legislator is refrains from interfering and refers to the freedom of contracting of any company. We shouldn't forget, that Austrian companies are often representing the face of Austria in the world.

Therefore, the work of Austrian companies must be regulated by the state to make global players to global accountable players. The cases Ilisu and Belo Monte were mentioned in the most recent shadow report regarding the extraterritorial obligations of Austria on the

implementation of economic, social and cultural rights (Chapter 4: Austria 's Export and Investment Promotion and corporate social responsibility policies with the participation of the network). The Human Rights Commission has noted that Austria needs to take action regarding human rights impacts of Austrian companies operating in foreign countries.

NeSoVe has the opinion, that it is socially irresponsible to get involved in projects that displace tens of thousands of people and that may produce extensive environmental and social destruction. NeSoVe calls upon the ANDRITZ AG to terminate the contract at the

Ilisu project , Xayaburi and Belo Monte and face up to the responsibility they have as large corporation for their impact in the world. NeSoVe considers, that the Business Council respACT must work to ensure that ANDRITZ Hydro gets out of the projects.

NeSoVe calls upon the national legislator as well as upon the European Union to establish rules that ensure corporate responsibility abroad and to implement the recommendations of the Commission on Human Rights with regard to the economic, social and cultural rights.



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