

January 2015

Questions we asked companies under the Myanmar Foreign Investment Tracking Project

1. Does your company have investments or operations in Myanmar or is it seriously considering investing or operating there? If so, please provide information on the nature of these investments, and which geographic areas and communities they will affect.

ANDRITZ HYDRO has a Rep Office in Myanmar registered since May 2013. ANDRITZ HYDRO is a supplier of equipment for hydropower stations and is looking forward to selling into Myanmar. ANDRITZ HYDRO is working closely with the Ministry of Electric Power and the private sector. In 2014 ANDRITZ HYDRO mainly sold spare parts in small quantities to Myanmar.

2. Do you have policies and procedures in place to prevent your business activities or investment from contributing to human rights abuse and social conflict in Myanmar (including, for example, human rights due diligence measures)? Please specify whether these policies and procedures apply to your company in general, or specifically to your Myanmar investment. If you have human rights policies and procedures regarding investing or operating in Myanmar, are you willing to share them for posting on our website? If so, please send them as a Word or PDF file, or, if available, as a hyperlink.

The business principles of the ANDRITZ Group are presented in the ANDRITZ Code of Business Conduct and Ethics, which is published on our website www.andritz.com. The Code focuses our four core values

integrity, respect, reliability and sustainability, and addresses how to conduct with employees, in the marketplace, with our company and shareholders, in our community, and with our governments and the law. The Code also includes topics concerning human rights

3. Who in your leadership is responsible for ensuring compliance with the policies and procedures in no. 2?

ANDRITZ has a Group-wide Compliance Committee consisting of five members. As an independent Group function, it reports directly to the CEO. There is also a network of regional compliance officers, a top-level compliance manager and the Group Compliance officer. The goal of the company's compliance activities is to monitor compliance with existing legislation and internal regulations. Other tasks include keeping track of current topics and trends in the field of compliance and putting them into practice by means of appropriate measures or new regulations.

4. If you do not yet have human rights policies and procedures in place, do you have plans to develop them? If so, what efforts are you currently engaged in or plan to engage in on this regard?

See answers above

5. How does your company try to prevent or mitigate conflicts that affect its operations or the surrounding communities (including armed conflict, inter-communal conflict and violence, etc.)? Could you please list your policies, procedures or concrete activities in this regard, including community engagement and dialogue measures and revenue sharing agreements?

Our internal procedures and regulations include detailed risk analyses for all above mentioned effects. There is no possibility of a project development and a positive go/no-

go decision without passing these risk analyses. Additionally and foremost, owners, investors, ECAs, international and local banks insist on ESIARs covering all above topics.

6. Who should communities or civil society groups contact if they have questions or concerns about your investment or operations in Myanmar? Please provide their contact information.

For any concerns regarding the activities of ANDRITZ HYDRO in Myanmar please get in contact with Senior Vice President Alexander Schwab (alexander.schwab@andritz.com) or with our local Managing Director Harald Friedl (harald.friedl@andritz.com) who would transfer your requests internally.

7. We further invite you to respond to questions specific to your industry. Does your company have policies and procedures in place to address each of the following areas? If so, please provide details:

a. Freedom of association and collective bargaining: ANDRITZ naturally supports the co-determination of employees and compliance with the principles and standards of the International Labor Organization (ILO) concerning the freedom of association, the abolition of forced labor, child labor, and discrimination, the minimum age of employees, and equal pay for men and women. In addition, the Group promotes the establishment of internal committees that represent employees' interests. An open and transparent exchange of ideas between the Executive Board and the works councils is encouraged and put into practice. Freedom of

assembly applies at all ANDRITZ sites, provided that this is permitted under the terms of local legislation.

b. Living wages

ANDRITZ pays its employees according to their performance and the provisions of local legislation.

c. Workplace health and safety

ANDRITZ has the goal to prevent injuries and accidents in the work place at all costs, and therefore makes efforts to ensure that all sites throughout the world provide a safe and healthy work environment and to continuously improve its safety standards. The standards for health and safety at work are laid down in the Code of Business Conduct and Ethics and in the safety management systems.

d. Child labour

See answer a.

e. Forced labour

See answer a.

f. Anti-discrimination (whether based on race, gender, religion, nationality, etc.)

It is a policy of the ANDRITZ GROUP to prohibit discrimination and to provide all employees with a work environment free of offensive and intimidating behavior. This is also written down in the ANDRITZ Human Resources Guideline.

g. Environment

Taking care of the environment in the long term and conservation of natural resources are key concerns of the ANDRITZ GROUP. Due to standardization of the core

processes, all the plants and systems that we supply to customers all over the world meet the highest environmental standards. ANDRITZ not only helps to protect the environment and reduce resource use by means of a wide range of products, but also meets the most stringent environmental requirements in its operations.

h. Land rights and i. Relocation

Careful, correct and sustainable handling of land rights and relocation issues is part of the ESIAs, which, as already mentioned, is part of our risk analysis. Additionally, as a sustainability partner through the HydroEquipmentAssociation of the International Hydropower Association we are strongly and constantly promoting and supporting the Hydropower Sustainability Assessment Protocol which covers – among others – these topics in detail.