

ThyssenKrupp Annual Shareholders Meeting, Bochum, 27th of January 2017

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Good afternoon and thank you for the opportunity to speak directly to ThyssenKrupp's shareholders and members of its executive board. I am currently undertaking a PhD in medical anthropology, that is focused on the perceptions and experiences of the health impacts of industrial pollution and 'corporate social responsibility' interventions in Santa Cruz, Rio de Janeiro. I lived and worked in Santa Cruz for fifteen months between September 2014 and December 2015.

This is the second time I have spoken at ThyssenKrupp's annual shareholder meeting about ThyssenKrupp's Companhia Siderúrgica do Atlântico (alternatively called the TKCSA or the CSA). I think it is critically important that the company's shareholders and members of ThyssenKrupp's executive board are aware of the suffering that the TKCSA's neighbours are experiencing. ThyssenKrupp group's mission statement emphasises openness, integrity and mutual respect¹ and here I ask you to please consider whether the TKCSA is living up to these corporate values.

Controversy has surrounded the TKCSA since before its construction was finished. Tens of thousands of people live as extremely close neighbours to the steel plant. On the main avenue bordering the factory there are people living as near as 543 meters away from the nearest emission source within the factory compound, and less than 10 meters away from its boundary. Many of the TKCSA's neighbours have been involved in a campaign against the factory for years. If any of you would like to research further into their campaign, there is a fantastic short film about the subject called 'Truss'; a version with English subtitles is available on the Rosa Luxemburg Foundation website.

There are many complaints about the TKCSA and here I can only mention a few.

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ThyssenKrupp (n.d) *we are thyssenkrupp* [online].
https://www.thyssenkrupp.com/media/unternehmen/compliance/compliance_uebersicht/tk_leitbild_en.pdf

- During the construction of the factory in a swampy coastal area, a canal was rerouted². It is thought that this has contributed to various floods of the residential area, São Fernando, which is home to thousands of people. Local people have received no compensation for this.
- The TKCSA's branch railway line that transports raw materials to the plant and steel slabs to Brazilian clients is extremely close to family homes along the João XXIII Avenue. Structural damage is visible in many of these houses and local residents also assert that the train causes noise pollution.
- The train carriages transporting raw materials are not normally covered, and it is thought this contributes to the dust that people living on the João XXIII Avenue have to contend with.
- The TKCSA caused two critical incidents of pollution in 2010, in which a thick layer of metallic dust settled over the residential areas surrounding the factory³. Local people breathed in this dust and it dirtied their houses, schools, clinics and streets. While the TKCSA was fined for these events, local people have received no direct compensation for this.
- The metallic dust present in the area has been tested by the Oswaldo Cruz Foundation, which has found that it contains Aluminium, Arsenic, Barium, Bromine, Calcium, Cadmium, Cerium, Chlorine, Chromium, Copper, Iron, Potassium, Lanthanum, Magnesium, Manganese, Neodymium, Nickel, Phosphorous, Lead, Praseodymium, Rubidium, Sulphur, Strontium and Zinc⁴.
- Many people living in the João XXIII area of Santa Cruz have told me repeatedly that this dust is an ongoing problem. I can personally assure you that this metallic dust was still present in the João XXIII area of Santa Cruz while I lived there in 2015.
- Recent studies of the quality of air in the region have shown that the annual geometric mean concentration of total suspended particulates is greater than the standard established by the Brazilian National Council for the Environment (CONAMA). Fine particles with a diameter of 2.5 µm or less, have been shown to have reached five times the 24-hour mean guideline established by the World Health Organization⁵.

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Assembléia Legislativa do Estado do Rio de Janeiro (2011) *Relatório e Conclusão dos Trabalhos da Comissão Especial para Apurar possíveis Irregularidades e Imprevidências do Governo do Estado e do Instituto Estadual do Ambiente – INEA, no Processo de Concessão de Licenciamento Ambiental Referente à Implantação da Companhia Siderúrgica do Atlântico – CSA, Situada em Santa Cruz no Município do Rio de Janeiro*

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Firpo de Souza, Porto, M., Carneiro Menezes, M.A., Pessoa Dias, A., Campos Burigo, A. (2011) *Avaliação dos Impactos Socioambientais e de Saúde em Santa Cruz decorrentes da Instalação e Operação da Empresa TKCSA* [online]
http://www.epsjv.fiocruz.br/upload/d/Relatorio_TKCSA.pdf

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Firpo de Souza, Porto, M., Carneiro Menezes, M.A., Pessoa Dias, A., Campos Burigo, A. (2011) *Avaliação dos Impactos Socioambientais e de Saúde em Santa Cruz decorrentes da Instalação e Operação da Empresa TKCSA* [online].
http://www.epsjv.fiocruz.br/upload/d/Relatorio_TKCSA.pdf

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Chauvet de Souza, R (2012) *Análise dos impactos de emissões atmosféricas locais da indústria siderúrgica: um estudo de caso no Rio de Janeiro* [online].
<http://www.ppe.ufrj.br/ppes/production/tesis/chauvet.pdf>

- Many local people say they are now suffering from various ailments related to this pollution. These include, but are not limited to, regular nosebleeds, allergic reactions, headaches, joint pain, tiredness, shortness of breath, impaired vision and rashes.
- It has been shown that there is a significant association between exposure to the types of pollution present in the area directly neighbouring the TKCSA, and cardiovascular and respiratory diseases as well as carcinogenesis⁶. Clinical staff working in the area have pointed out correlations between the increase in pollution and increases in the numbers of cases of lung, breast and thyroid cancer.
- The Canal São Francisco and the Sepetiba Bay area have long been areas where artisanal fishing is practiced. Local fishermen argue that the construction of the TKCSA, and the company's pollutants, have had a radical effect on the amounts of fish available in the area. This is having an impact on hundreds of fishermen, and their ability to provide for their families.
- The TKCSA is the largest company in the Association of Companies of the Industrial District of Santa Cruz and Adjacent Areas (*Associação das empresas do Distrito Industrial de Santa Cruz e Adjacências*). This association has built a barrier in the river São Francisco, in order to control the flow of water, and to secure access to fresh water for industrial usage. This has had a drastic effect on local fishermen who were previously using the river and the bay area as the main source of their livelihood. The association has been ordered to compensate local fishermen, and many of them are still waiting for full compensation.
- On the 20th of December 2016 Rio de Janeiro's Public Prosecutor's Office (*Ministério Público do Estado do Rio de Janeiro - MPRJ*) began legal action against the ex-Governor of Rio de Janeiro Sérgio Cabral, who was arrested in November 2016 for corruption, for having illegally authorized the functioning of the TKCSA's second blast furnace. The Public Prosecutor's legal action calls for a restriction on the steel plant from signing new contracts with public authorities, and for compensation of the population for damages caused by the operation of the plant, and its polluting emissions.

In view of these concerns, I have the following questions I would like to address to ThyssenKrupp AG:

- Given the strain that many residents living very near the TKCSA feel is imposed upon them by the actions of the company, it is pertinent to ask how many people living in this area does the company directly employs. Please provide figures of the number of

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Firpo de Souza, Porto, M., Carneiro Menezes, M.A., Pessoa Dias, A., Campos Burigo, A. (2011) Avaliação dos Impactos Socioambientais e de Saúde em Santa Cruz decorrentes da Instalação e Operação da Empresa TKCSA [online]
http://www.epsjv.fiocruz.br/upload/d/Relatorio_TKCSA.pdf

current employees that live a) in Santa Cruz, and b) in the João XXIII area of Santa Cruz.

- The TKCSA is the biggest company of the Association of Companies of the Industrial District of Santa Cruz and Adjacent Areas. Please inform us of the number of fishermen that this Association has already compensated, as well as the total amount to be spent on compensation relating to the partially submerged barrier across the canal São Francisco.
- Please provide the readings, from the steel mill's permanent measuring station, that measures the company's emissions, corresponding to the period between January 2015 and January 2016.
- Please confirm ThyssenKrupp AG's plan for the 238 legal challenges against the TKCSA, in the event that the steel mill is sold. Will those legal challenges be inherited by the company that buys the steel mill?
- During a meeting on the 28th of September 2016, in the State Environmental Institute (*Instituto Estadual do Ambiente - INEA*), in which the CSA was granted a license to operate, the company directors publically recognized that the company had not implemented all the measures laid out in the Conduct Adjustment Agreement (TAC), particularly those related to health. It was stated that the company had not undertaken an epidemiological study of the effected population, or the installation of a warning system. Company representatives asserted that they had transferred the necessary resources for the implementation of these measures to Rio de Janeiro's Municipal Department of Health (*Secretaria Municipal de Saúde - SMS*). Do the company directors know why the Municipal Department of Health did not implement the measures with the resources transferred, and what was the final destination of these resources?

Please provide answers here at the annual general meeting, as well as in writing.

I thank you once again for your time and attention.