



## Joint statement by Norconsult AS and the Norwegian Association for International Water Studies (FIVAS)

Based on the complaint of 22 August 2014 and the OECD Guidelines for Multinational Enterprises, the Norwegian National Contact Point arranged for mediation between the parties.

Norconsult AS and FIVAS agree on the following:

### ***Background***

- a) Major hydropower projects can have severe negative consequences for indigenous populations and the environment in project areas. It is important that the social and environmental consequences are reduced to a minimum and that hydropower projects consider and respect indigenous people's rights and are carried out on the basis of the most stringent requirements for safety and respect for the community.
- b) Enterprises shall respect human rights regardless of the host country's international obligations and should seek to avoid causing or contributing to adverse human rights impacts as a result of their own activities.
- c) Indigenous groups<sup>1</sup> are affected by hydropower projects in the state of Sarawak in Malaysia. Part of the local population has had to move as a consequence of the Murum Dam and many risk being displaced if the construction of the Baram Dam is approved.
- d) Norconsult, through its subsidiary Norpower Sdn Bhd, has a minor role as technical adviser in the Murum and Baram projects. According to the OECD guidelines, however, responsibility also applies to consultancy companies that through business relationships are linked to projects where there is a risk of human rights violations.
- e) Enterprises should respect the internationally recognised rights of those who are affected by or directly linked to their activities. Among other things, this entails carrying out risk-based due diligence reviews, endeavouring to prevent or mitigate adverse impact, being open about predictable risk factors and consulting stakeholders in accordance with the OECD Guidelines and the human rights conventions.
- f) The Hydropower Sustainability Assessment Protocol (HSAP), which was developed by the International Hydropower Association, is a tool for planning and carrying out hydropower development projects in a way that safeguards social and environmental factors.
- g) In the complaint from FIVAS, claims were made about Norconsult and Norpower's activities in Malaysia, which have been refuted.
- h) In the process leading up to the complaint, Norconsult has been less open about its role than FIVAS expected.
- i) Future contact between the parties shall be based on mutual trust and clarification of facts.

---

<sup>1</sup> Mainly Penan, Kenyah and Kayan communities.

## ***Hydropower development in Sarawak***

- I. Sarawak is one of two Malaysian states on the island of Borneo and the largest of Malaysia's 14 states. The population of Sarawak consists of many different ethnic groups. The indigenous groups are the most marginalised groups in the state, and the development of the Murum Dam has affected the Penan people in particular.
- II. The Murum and Baram hydropower projects are parts of the Sarawak Corridor of Renewable Energy (SCORE) programme, initiated by the State of Malaysia. SCORE is intended to create economic growth and development in Sarawak.
- III. The company Sarawak Energy Berhad (SEB) is responsible for the hydropower projects Murum and Baram. Through its wholly owned subsidiary Norpower, Norconsult has established a business relationship with SEB by entering into a framework agreement as technical adviser.
- IV. Norpower's assignment in the Murum project has consisted of preparing procedures and checklists in connection with the testing and operational start-up of electromechanical equipment, such as turbines and generators, for SEB.
- V. Norpower's role in the Baram project, in which a development decision has not yet been made, is to be a sub-consultant to the Australian consultancy company SMEC. The assignment consists of preparing specifications and cost estimates for electromechanical equipment.
- VI. Norconsult recognises that the hydropower development in Malaysia, including the construction of the Murum Dam, and, the construction of the Baram project if it is approved, entails inherent risk of violating indigenous people's rights. Norconsult is aware that a report by the Human Rights Commission of Malaysia (Suhakam) describes reasons for concern for indigenous people's rights in the Murum project. Norconsult has regularly addressed and discussed concerns raised by civil society and other stakeholders with the management of SEB with a view to preventing or limiting the negative social and environmental consequences of the projects.
- VII. FIVAS acknowledges that Norconsult has carried out integrity due diligence of contractual partners as laid down in the Group's Code of Ethics. The Group's procedures for integrity due diligence does not specify due diligence reviews with regard to human rights. Norconsult has nonetheless considered the projects' impact on indigenous groups and raised and discussed Suhakam's report on the Murum development with SEB.
- VIII. FIVAS recognises that, for consultancy companies, risk-based due diligence reviews will often have to be carried out in steps based on the consultancy company's involvement in the project at any time.

## ***Basis for responsible business conduct with focus on indigenous people's rights and due diligence with regard to human rights***

Norconsult specifies that the Group, in its principles for Leadership, Values and Ethics in Norconsult (LiVE) and its Code of Ethics (Norconsult Group Code of Ethics), as adopted by the board, has endorsed internationally recognised human rights (UDHR). Norconsult's Code of Ethics states that the company shall respect human rights and carry out integrity due diligence reviews.

Based on these values, Norconsult has agreed to the following:

- 1) Norconsult shall ensure that its Group Code of Ethics and governing documents are in compliance with the OECD Guidelines.

- 2) Norconsult will publish information about what areas it is involved in and respond to enquiries about what projects it is involved in, reserving the right to exclude projects in which the contract is covered by confidentiality provisions. Norconsult will respond to enquiries concerning risk assessments.
- 3) Norconsult has made human rights an integral part of its Code of Ethics and will pursue an active role in dialogue with its business associates to ensure that projects they are linked to comply with international human rights, including indigenous people's rights.
- 4) In addition to integrity due diligence, Norconsult will carry out human rights due diligence reviews in line with the OECD Guidelines for Multinational Enterprises. This includes openness about Norconsult's requirements and what assessments have been made.
- 5) Norconsult respects indigenous people's rights in accordance with ILO Convention 169 and the UN Declaration on the Rights of Indigenous Peoples (UNDRIP). Norconsult's operations in Sarawak in Malaysia and elsewhere shall be in accordance with the provisions of these instruments.
- 6) Norconsult will report on sustainability indicators based on the Global Reporting Initiative (GRI) and self-defined indicators tailored to the company's operations. In the further development of its qualitative and quantitative indicators, Norconsult shall draw on feedback from both internal and external sources, including groups that can be affected by its activities.

2 June 2015, Oslo.

.....  
.....  
Per Kristian Jacobsen  
CEO  
Norconsult AS

.....  
.....  
Jonas Holmqvist  
General Manager  
The Association for International Water Studies (FIVAS)

.....  
.....  
Ola Mestad  
Mediator