# Summary of Bakun HEP HS Standard Assessment Report

## 1. Assessment Overview

The Hydropower Sustainability Standard is a globally recognised certification system that provides accountability upstream and assurance downstream across the hydropower value chain. It allows stakeholders – from developers and operators to financiers and governments – to demonstrate their commitment to sustainability. The HS Standard assesses projects across 12 Environmental, Social and Governance (ESG) sections at two performance levels: good practice and best practice.

An independent third-party assessment of the Bakun Hydroelectric Plant (HEP) was conducted by a team of Accredited Assessors. The assessment process involves collecting objective evidence from a variety of sources to provide an unbiased and evidence-based evaluation of the project's sustainability performance according to the performance requirements of the HSS. As part of the HSS certification process, the preliminary assessment report is required to undergo a 60-day public consultation period, allowing all stakeholders to provide comments and feedback on its findings.

Assessors Doug Smith, Helen Locher and Tashi Pem conducted an assessment of the Bakun HEP with field visit undertaken during the period 2 to 9 July 2024. The assessment report was issued on 28 February 2025.

## 2. Assessment Results

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| **Summary of key findings** | Bakun HEP was constructed in the 2000's, with the first units commissioned in 2011 and it was fully operational in 2014. Sarawak Energy acquired Bakun HEP in August 2017 from Sarawak Hidro Sdn Bhd (owned by the Federal Ministry of Finance, Malaysia). Environmental and social studies were conducted and resettlement implemented in the 1990's.<br><br>Since acquisition, Sarawak Energy has extended its corporate-level systems for sustainability to Bakun HEP, while also developing the breadth and depth of these systems. These include systems for procurement, ethical business practices, internal and external audits, legal compliance and Health, Safety, Security and Environment (HSSE) management, for example. Bakun HEP is certified against a wide range of ISO standards and has been able to draw on Sarawak Energy's corporate divisions such as Sustainability; and Research and Development in greenhouse gas (GHG) monitoring, for example.<br><br>As a result of internal application of the HSS, Bakun HEP was able to identify further steps to take to address sustainability and so has recently put in place a range of additional plans. These address social and wider (beyond the plant level) environmental issues and include an Environmental Management Plan, Community Management Plan, Stakeholder Management Plan, Biodiversity Management Plan and Reservoir Management Plan. Bakun HEP has recently established quarterly Bakun ESG reporting and meetings, and formed a new, more inclusive community-level stakeholder steering committee. In addition, Sarawak Energy has extended its range of Policy, Procedures and Guidelines (PPG) to encompass social and wider environmental issues.<br><br>The initial version of this official HSS assessment, dated 2 August 2024, identified 19 significant gaps against the Minimum Requirements of HSS. These fell into three categories: implementation capacity; social issues and the legacy of development; and a number of specific issues, concerning low dissolved oxygen in releases from Bakun Dam, the Dam Safety and Emergency Plan (DSEP) and floating logs in the reservoir. In the six-month period allowed for gaps to be addressed, Sarawak Energy has addressed all gaps and has removed or is on track to remove all gaps.<br><br>**Implementation capacity:** Bakun HEP has recently increased social and biodiversity staffing including at the plant level, established quarterly ESG meetings, extended Sarawak Energy's environmental and social management system to the transmission lines, made significant progress in biodiversity studies and plans and a downstream flows and water quality study, incorporated management review processes in its various environmental and social plans and publicly disclosed some of these plans. |

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| | **Social issues and the legacy of development**: Although it remains that livelihoods and living standards have not been restored or improved among some affected households, and some impacts on Indigenous Peoples' rights are not mitigated or compensated, Bakun HEP and Sarawak Energy have taken significant steps towards addressing these issues. Grave sites affected at the reservoir shoreline have been surveyed and funds released for their protection or relocation. Engagement with communities in all areas is more frequent, and a new grievance mechanism has been fully established. Sarawak Energy has begun a study on Indigenous Peoples' rights for all its hydropower facilities, which will begin with Bakun HEP and deliver a Bakun Indigenous Peoples' Plan. A committee representing all affected communities is currently reviewing a Memorandum of Understanding to be agreed with Sarawak Energy. Monitoring of commitments and the effectiveness of measures taken is being strengthened.<br><br>**Specific issues:** Bakun HEP has recently addressed these, including repairs to the training log crane at the intake, construction of a device to aerate outflows, strengthening of the Dam Safety and Emergency Plan (DSEP) to include the agencies with responsibilities for emergency response and its distribution to these agencies, and additional inspections for floating logs and the planned extension of the log removal activities further upstream. |
| **Limitations of the assessment** | The assessment was planned and managed ably by the 'single point of contact', Darylynn Chung, Sarawak Energy's Manager for Sustainability/ESG and her local support team, all of whom have considerable experience in internal and official assessments using the Hydropower Sustainability Standard. They assembled a highly comprehensive array of documentary evidence and arranged wide-ranging interviews with internal and external stakeholders, in the Bakun HEP area, Belaga, Bintulu and Kuching. Most interviews were conducted in-person.<br><br>There were few limitations. Time constraints prevented the assessor team visiting communities residing far upstream on the reservoir. |

| | Sections | | | | | | | | | | | |
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| | 1. Environmental and Social Assessment and Management | 2. Labour and Working Conditions | 3. Water Quality and Sediments | 4. Community Impacts and Infrastructure Safety | 5. Resettlement | 6. Biodiversity and Invasive Species | 7. Indigenous Peoples | 8. Cultural Heritage | 9. Governance and Procurement | 10. Communications and Consultation | 11. Hydrological Resource | 12. Climate Change Mitigation and Resilience |
| Total number of requirements | **6** | **5** | **11** | **21** | **5** | **6** | **8** | **5** | **6** | **15** | **16** | **15** |
| Number of requirements met | 4 | 2 | 9 | 15 | 3 | 5 | 3 | 3 | 5 | 8 | 13 | 11 |
| Percentage of requirements met | 67% | 40% | 82% | 71% | 60% | 83% | 38% | 60% | 83% | 53% | 81% | 73% |

## 3. Public Consultation Process

The following outlines the steps for submission, review, and distribution of the assessment report, emphasising transparency and community engagement:

1. **Distribution of Assessment Report to Project-Affected Communities:**
    - Mechanisms for distributing the report and comment forms to affected communities are proposed by Sarawak Energy and approved by the HS Secretariat.
    - Evidence (e.g., photos) of these mechanisms will be shared for transparency on the assessment webpage.

2. **Public Consultation Period: 10 April – 10 June 2025**
    - During this period, the report is available for public review.
    - Comments submitted should be clear and based on the findings in the report and refer to evidence (i.e. document, report, photo, etc.) whenever possible. Each comment should identify the relevant page number, refer to a HS Standard Section and suggest changes based on the supporting evidence provided.

3. **Response to Comments and Finalisation:**
    - Accredited Assessors will respond to received comments, if any, and finalise the assessment report.
    - Sarawak Energy will accept the Final Assessment Report
    - The HSS Secretariat reviews the Final Assessment Report and creates a Response to Comments Form, which is published on HSA website after project certification.