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Attn.:  
Ms Balbin  
Chief, Special Procedures Branch  
Office of the High Commissioner on Human Rights  
Palais des Nations  
1211 Geneva 10  
Switzerland

By e-mail

Oslo, 14 October 2020

**Regarding Joint Communication from Special Procedures, Ref: AL OTH 62/2020**

Dear Ms Balbin

We appreciate the opportunity you have given us to comment and hopefully provide clarity in the matters raised in your letter to us dated 18 August 2020.

Responsible business conduct is key to DNB and we stay committed to respect applicable laws, regulations and internationally recognized standards for the environment and the human rights.

Our expectations to all employees and business partners are expressed in a set of principle documents, policies and guidelines available online in our Sustainability library (<https://www.dnb.no/en/about-us/csr/sustainability-library.html>). You will also find specific information on DNB and Human Rights in our web-pages: <https://www.dnb.no/en/about-us/csr/human-rights.html>.

As a signatory to the Equator Principles we are committed to ensure that the Projects we finance and advise on are developed in a manner that is socially responsible and reflects sound environmental management practices. We have implemented the principles in our credit process.

Please find attached our comments to each of the matters raised in the Joint Communication

Yours faithfully  
on behalf of DNB Bank ASA

Henning Siebke  
Executive Vice President  
Corporate Banking Risk & Quality Division



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1. **“The flow of the tributaries of the Maipo River (Yeso, Volcán, and Colorado) would be reduced by up to 60%. These rivers are the main source of drinking water for the city of Santiago of Chile, with seven million inhabitants, and for the irrigation of 120,000 hectares of farmland in the region.”**
  - a. **Response:** The Alto Maipo Hydroelectric Project (the Project) will mainly use the force of falling water to produce electricity. It neither has a reservoir, nor affects the activities conducted at Maipo River. One hundred percent of the water utilized by the Project will be returned approximately 5 km before the intake point of the drinking water treatment plant that serves the city of Santiago de Chile - Aguas Andinas ([https://seia.sea.gob.cl/expediente/expedientesEvaluacion.php?modo=ficha&id\\_expediente=2933044](https://seia.sea.gob.cl/expediente/expedientesEvaluacion.php?modo=ficha&id_expediente=2933044)).
2. **“The Project will cause erosion of the Maipo River bed, affecting public and private infrastructure, including drinking water intakes, irrigation, bridges and other waterways.”**
  - a. **Response:** The Project conducted various technical studies and has established mitigation and monitoring measures regarding the potential effects of sediment transport and scouring. Alto Maipo prepared a Sedimentology Study, conducted by the Department of Civil Engineering at the University of Chile in March 2007, “*Estudio Sedimentológico en el Río Maipo*”, which was included as Annex 20 in the Project’s 2008 Environmental Impact Assessment (EIA), approved through *Resolución de Calificación Ambiental RCA N°256/09* ([https://seia.sea.gob.cl/expediente/expedientesEvaluacion.php?modo=ficha&id\\_expediente=2933044](https://seia.sea.gob.cl/expediente/expedientesEvaluacion.php?modo=ficha&id_expediente=2933044)). The study concluded no significant impacts and estimated impacts were within the natural ranges of the system.
  - b. Alto Maipo prepared another technical study to identify and assess the potential impactos from erosion and sedimentation in 2013: “*Tema 2: Identificación y Evaluación de Impactos Potenciales en los Sedimentos*” (<https://www.iadb.org/en/project/CH-L1067>).
  - c. An Advanced Sediment Transport Study, “*Estudio Sedimentológico Avanzado*”, was prepared in 2010 and approved by the relevant authority (Department of Hydraulic Works [*Dirección de Obras Hidráulicas* - DOH]) on September 27, 2018. The executive summary is published in Alto Maipo’s website (<https://www.altomaipo.com/estudio-sedimentologico-avanzado/>)
3. **“Climate change and desertification, which have caused severe droughts in Chile in the recent years, could be exacerbated by the protective role of the Maipo River basin in the local climate and in alleviating air pollution in the Santiago, Chile, as a “green corridor”.**
  - a. **Response:** Impacts to glaciers and potential exacerbation of desertification were assessed in the Project’s 2008 EIA ([https://seia.sea.gob.cl/expediente/expedientesEvaluacion.php?modo=ficha&id\\_expediente=2933044](https://seia.sea.gob.cl/expediente/expedientesEvaluacion.php?modo=ficha&id_expediente=2933044)). The 2008 EIA assessed the potential impacts of construction activities to glaciers and concluded that given the distance between tunneling activities and the glaciers, vibration from drill and blast (D&B) would not be perceived at the ground surface. Any deviations from the stated activities in the 2008 EIA related to glacier protection require a *consulta de pertinencia* (CdB) to the authorities for approval to ensure no additional impacts will be present.
  - b. Impacts to climate change including desertification were also assessed during a cumulative three-stage study in cooperation with the *Fundación para la Transferencia Tecnológica* (UNTEC), “*Cambio Climático y su Impacto en la Disponibilidad de Recursos Hídricos del Proyecto Alto Maipo*” - May 2013 (<https://www.iadb.org/en/project/CH-L1067>). The report concluded no impacts to the rights of water users. In addition, the study concluded that water flow will be sufficient to maintain all existing water rights within the intervened reach (i.e., 10 intakes) during Project operation and considering the potential effects of climate change.

4. **“The Cajón del Maipo in Chile is home to the Monumento Glacial Natural Reserve (1994), two Nature Sanctuaries (1995 and 2008), as well as other protected areas of ecological, cultural (paleontological archaeological remains) and environmental interest that receive millions of visitors each year and could be damaged by the Project.”**
  - a. **Response:** The Project’s 2008 EIA ([https://seia.sea.gob.cl/expediente/expedientesEvaluacion.php?modo=ficha&id\\_expediente=2933044](https://seia.sea.gob.cl/expediente/expedientesEvaluacion.php?modo=ficha&id_expediente=2933044)) described the tourism activities in the Project’s Area of Influence (Aoi), as well as importance of tourism for the region. Measures presented in the 2008 EIA include avoiding construction activities in priority tourism areas, limiting Project traffic, and minimizing aboveground construction (90% of the Project is underground).
  - b. During the Lender appraisal process, the Project impacts to recreational river users were determined to be negligible. Alto Maipo later undertook a comprehensive study on possible impacts to recreational river users. Alto Maipo hired a consultant, EcoHyd, to develop a Recreational Water Users Study – “*Evaluación Idoneidad de Realización de Rafting en Río Maipo*” (2020), (<https://www.altomaipo.com/descargas/evaluacion-idoneidad-de-realizacion-de-rafting-en-rio-maipo/>) to analyze the flow rates for rafting on the Maipo River. The assessment demonstrates that the operation of the Project would maintain not only minimal conditions for rafting in winter and summer, but largely maintain hydraulic conditions with high preferences demanded by the users themselves. The study was provided to relevant stakeholders (i.e., local rafting companies) in March 2020.
  
5. **“On 25 March, 2020, organizations opposed to the project reported the melting of a glacier in the area of the El Yeso Reservoir, in the municipality of San Jose de Maipo, which could be caused by explosions in the construction of the El Volcán tunnel, part of the project.”**
  - a. **Response:** Impacts to glaciers were assessed in the Project’s 2008 EIA ([https://seia.sea.gob.cl/expediente/expedientesEvaluacion.php?modo=ficha&id\\_expediente=2933044](https://seia.sea.gob.cl/expediente/expedientesEvaluacion.php?modo=ficha&id_expediente=2933044)). The 2008 EIA assessed the potential impacts of construction activities to glaciers and concluded that given the distance between tunneling activities and the glaciers, vibration from D&B would not be perceived at the ground surface. Any deviations from the stated activities in the 2008 EIA related to glacier protection require a *consulta de pertinencia* (CdB) to the authorities for approval to ensure no additional impacts will be present.
  - b. Alto Maipo carries out annual LIDAR air surveys (light detection and ranging) of the El Morado glacier to monitor changes in the glacier and 21 nearby comparable glaciers to assess impacts from the Project. Alto Maipo has carried out these annual surveys since 2017 and presents the results to the corresponding authorities (*Superintendencia del Medio Ambiente – SMA* or *Dirección General de Aguas – DGA*). The 2017 results are published by SMA: (<https://snifa.sma.gob.cl/General/Descargar/20612022166> and <https://snifa.sma.gob.cl/General/Descargar/20612022167>). To date, the annual surveys show that the El Morado glacier conditions are similar to other glaciers in the area and that changes and decreases align with climatic conditions, are not related to the Project.
  
6. **Please provide detailed information on the measures taken by your institution to avoid negative impact on the human rights to water and sanitation in relation to the Alto Maipo Hydroelectric Project, throughout all stages of development of the mega-project; macro-planning, licensing, or authorization, planning and design, construction, short-term operation, long-term operation, and decommissioning and disaster management.**
  - a. **Response:** The Lenders, including DNB, carried out an Environmental and Social Due Diligence (ESDD) in 2013 to assess the Project was in compliance with Chilean law and in alignment with the

International Finance Corporation (IFC) Performance Standards

([https://www.ifc.org/wps/wcm/connect/Topics\\_Ext\\_Content/IFC\\_External\\_Corporate\\_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards](https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards)) throughout the entire life cycle of the Project. The IFC Performance Standards include eight E&S topic-specific standards and a number of cross-cutting topics, including climate change, gender, human rights, and water, are addressed across multiple Performance Standards. The IFC Performance Standards require a Project to adopt a mitigation hierarchy to anticipate and avoid, or where avoidance is not possible, minimize, its E&S risks and impacts including, for example, those related to human rights to water and sanitation. The ESDD established a Project-specific Action Plan (ESAP) to bring the Project into full alignment with the IFC Performance Standards.

- b. Since 2014, the Lenders, including DNB, carry out quarterly Environmental and Social (E&S) Monitoring during construction and will carry out periodic E&S Monitoring during operation to ensure the Project's E&S performance meets Lender requirements and continues to meet the IFC Performance Standards. This process is in line with DNB's internal E&S Policies and guidelines that can be found in our [Sustainability Library: https://www.dnb.no/en/about-us/csr/sustainability-library.html](https://www.dnb.no/en/about-us/csr/sustainability-library.html)
          - c. In addition, and in response to Lenders' ESDD process, Alto Maipo carried out an Identification and Assessment of Water Uses and Users, "*Informe Preliminar, Tema 1: Identificación y evaluación de impactos potenciales sobre usos y usuarios del agua*", dated May 2013 (<https://www.iadb.org/en/project/CH-L1067>), which identified and described the key characteristics of each water use for each of the formal water rights holders within the Project estimated intervened reaches. The assessment concluded that projected water flow during Project operation is greater than the legally authorized flow requirements at each existing water right intake point within the intervened reach. Thus, the report provides evidence to support the conclusion that the Project will not affect existing water rights within the Project intervened reach.
- 7. Please provide information about the human rights due diligence policies and processes put in place by your institution to identify, prevent, mitigate, and remedy adverse human rights impacts of your activities, in line with the UN Guiding Principles on Business and Human Rights and related standards such as the IFC Performance Standards.**
  - a. **Response:** The Lenders, including DNB, carried out an ESDD in 2013 to assess the Project was in compliance with Chilean law and in alignment with the IFC Performance Standards ([https://www.ifc.org/wps/wcm/connect/Topics\\_Ext\\_Content/IFC\\_External\\_Corporate\\_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards](https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards)) throughout the entire life cycle of the Project. The IFC Performance Standards include eight E&S topic-specific standards and a number of cross-cutting topics, including climate change, gender, human rights, and water, are addressed across multiple Performance Standards. The IFC Performance Standards require a Project to adopt a mitigation hierarchy to anticipate and avoid, or where avoidance is not possible, minimize, its E&S risks and impacts including, for example, those related to human rights. The ESDD established a Project-specific ESAP to bring the Project into full alignment with the IFC Performance Standards.
  - b. Since 2014, the Lenders, including DNB, carry out quarterly E&S Monitoring during construction and will carry out periodic E&S Monitoring during operation to ensure the Project's E&S performance meets Lender requirements and continues to meet the IFC Performance Standards. This process is in line with DNB's internal E&S Policies and guidelines that can found in our [Sustainability Library: https://www.dnb.no/en/about-us/csr/sustainability-library.html](https://www.dnb.no/en/about-us/csr/sustainability-library.html)
- 8. Please provide information on the environmental and social impact studies carried out before the construction of the Hydroelectric Project, and whether they were prepared with a human rights approach. In particular, please indicate whether any steps were taken to avoid negative social and cultural impacts on**

**the communities located in the area of the project, including by seeking their free and informed consent prior to the approval of the project on their traditional lands.**

- a. **Response:** The Project's Environmental Permit RCA N°256/09 was approved on March 30, 2009 (<https://conocealtomaipo.cl/proyecto/>). The Project is fully compliant with the Environmental Permits and certification processes, pursuant to the current Chilean laws and regulations. The Project was assessed by relevant government authorities and was under the scrutiny of citizens and stakeholders during the public consultation required by the Project's 2018 EIA process ([https://seia.sea.gob.cl/expediente/expedientesEvaluacion.php?modo=ficha&id\\_expediente=2933044](https://seia.sea.gob.cl/expediente/expedientesEvaluacion.php?modo=ficha&id_expediente=2933044)). The EIA includes measures to avoid negative social and cultural impacts, including by carrying out consultations to invite stakeholder feedback on impacts and proposed mitigation measures (<https://seia.sea.gob.cl/evaluacionambiental>).
- b. The ESDD, conducted by Lenders, including DNB, incorporates specific actions and mitigation measures to address any social and cultural impacts by the Project's EIA (i.e., an ESAP). Based on the results of the EIA and ESDD, there are no traditional lands associated with indigenous peoples in the Project area of influence and thus there was no requirement for free and informed consent prior to the approval of the Project.
- c. The Project also maintains an active grievance mechanism that is accessible to the public to present any concern, consultation, or complaint. There is a systematic process for follow up to on these consultations to address concerns in a prompt manner. See: <https://conocealtomaipo.cl/wp-content>

**9. Please provide information about specific due diligence measures taken by your institution before deciding to finance the Alto Maipo Hydroelectric Project. In particular, please highlight how your institutions conducted meaningful consultation with affected stakeholders and also how you ensured your clients/project sponsors also engaged in meaningful consultation with those stakeholders.**

- a. **Response:** Prior to financing, the Lenders, including DNB, carried out an ESDD in 2013 to assess the Project was in compliance with Chilean law and in alignment with the IFC Performance Standards ([https://www.ifc.org/wps/wcm/connect/Topics\\_Ext\\_Content/IFC\\_External\\_Corporate\\_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards](https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards)) throughout the entire life cycle of the Project. The IFC Performance Standards include eight E&S topic-specific standards and a number of cross-cutting topics, including climate change, gender, human rights, and water, are addressed across multiple Performance Standards. The IFC Performance Standards require a Project to adopt a mitigation hierarchy to anticipate and avoid, or where avoidance is not possible, minimize, its E&S risks and impacts including, for example, those related to human rights.
- b. The ESDD established a Project-specific ESAP to bring the Project into full alignment with the IFC Performance Standards. This process is in line with DNB's internal E&S Policies and guidelines that can be found in our [Sustainability Library: https://www.dnb.no/en/about-us/csr/human-rights.html](https://www.dnb.no/en/about-us/csr/human-rights.html)
- c. The website <https://seia.sea.gob.cl/evaluacionambiental> provides detailed evidence of the Project's consultation process during the EIA process. The Lenders require the Project to conduct ongoing and meaningful consultation with affected stakeholders throughout the life cycle of the Project, in line with the IFC Performance Standards. One means of ongoing consultation is the Project's ongoing Participatory Monitoring Plan (PMP), <https://conocealtomaipo.cl/monitoreo-participativo/>. In place since early 2014, the PMP is designed to allow active community participation in the monitoring of the construction of the Project. There are three thematic panels included in the PMP: Water and Environment; Social Commitments, Employment, and Local Providers; and Traffic Safety. Each is facilitated by a member of the Alto Maipo Community Management team.

**10. Please describe the measures that your institution has taken, or plans to take, to prevent recurrence of such disasters in the future.**

- a. **Response:** The Project has not suffered any disasters related to the points raised in the letter. DNB will continue to monitor the Project's E&S performance against Chilean law and the IFC Performance Standards through the ongoing periodic E&S Monitoring process.

**11. Please provide information on steps taken by your institution to establish operation-level grievance mechanisms to address adverse human rights impacts caused by your institution throughout your operations globally.**

- a. **Response:** Reference is made to our article on our web pages 'DNB and Human Rights': <https://www.dnb.no/en/about-us/csr/human-rights.html>). DNB has established a general grievance mechanism where the public can send us a dispute or complaint: [general grievance mechanism \(https://www.dnb.no/en/personal/customer-service/complaint.html\)](https://www.dnb.no/en/personal/customer-service/complaint.html).