

Gunn Wærsted
Chair of the Board
Telenor Group

cc: Sigve Brekke
President & CEO
Telenor Group

12 August 2021

Dear Mdm. Gunn Wærsted,

Our organizations are writing to express alarm regarding the announcement by Telenor Group to sell off their Myanmar business to M1 Group, and to strongly urge you to reconsider this decision and institute human rights safeguards.

In 2013, Telenor's application for a telecommunications licence in Myanmar was considered risky as Myanmar was at an early stage in its democratic transition, which recent events have demonstrated was not irreversible. Nevertheless, we observed that through the years since, Telenor's operations within Myanmar strived to follow a responsible and human-rights centric approach as required under the UN Guiding Principles (UNGPs) on Business and Human Rights, the OECD Guidelines for Responsible Business Conduct by Multinational Enterprises, and Telenor's various other commitments in Norway, Myanmar and globally.

Telenor Myanmar thereby gained the trust of our organisations and other civil society due to its transparency and engagement within the country, something which is reflected in the open letter by over 460 civil society organisations sent on 14 July 2021. These stakeholders recognise that Telenor has always sought to exercise 'leverage to prevent or mitigate adverse impacts' within the constraints posed by the Myanmar regulatory framework, as required by the UNGPs.

We recognise that since the coup, Telenor, like other companies, has come under extreme pressure from the military to take further steps which undermine its responsibility to respect human rights. We realise that you face many challenges, not least protecting the rights of your employees and customers, in addition to commercial and operational challenges. However, we note that many of these challenges are not unique to Myanmar, and that Telenor continues to operate in other challenging markets such as Pakistan and Bangladesh.

We were therefore surprised and dismayed to learn that Telenor has taken a rapid decision to leave Myanmar, and to sell to the M1 Group. We note that Telenor has done this without seeking the views of the civil society stakeholders with whom it previously significantly engaged on responsible business, including some of our undersigned organisations. Furthermore, we see no evidence that Telenor has undertaken the 'credible assessment of potential adverse human rights impacts of disengagement' from Myanmar, required under the UNGPs. This appears to be a hurried 'disposal' rather than a responsible exit.

We note that Telenor Myanmar is currently the subject of a complaint accepted by the Norwegian National Contact Point (NCP) related to possible misuse by the Tatmadaw of the network tower in Alethankyaw. Companies have a responsibility under the UN Guiding Principles, 'where they have caused or contributed to adverse impacts', to 'provide for or cooperate in their remediation through legitimate processes'. If Telenor exits Myanmar it should continue to cooperate fully with this NCP

process. Furthermore, as the withdrawal itself may cause or contribute to new human rights harms, the potential for these should first be identified through the 'credible human rights impact assessment' mentioned above, and this should include consideration both of how to avoid any adverse impacts and how to provide for remedy should they nonetheless occur, even if Telenor no longer has an in-country presence.

These concerns were raised in a recent second complaint submitted to the NCP against the company by the Centre for Research on Multinational Corporations (SOMO) on behalf of 474 Myanmar-based civil society organizations. The complaint alleged that Telenor had 'failed to conduct appropriate risk-based due diligence', 'failed to seek to prevent or mitigate adverse human rights impacts potentially arising from the sale of its Myanmar operations', 'failed to meaningfully engage with relevant stakeholders' and 'not been transparent in its decision to disengage'.

Our organisations are of the view that, notwithstanding our major concerns about Myanmar's regulatory framework for telecommunications and its current application, it might still be more positive from a human rights perspective for Telenor to stay in the market, rather than sell to a buyer such as the M1 Group. We have several serious concerns about M1 Group's acquisition of your licence, infrastructure, employees, and customers - including their data - which are detailed below.

We see no evidence that M1 Group intends to respect human rights.

We note that the M1 Group website does not make any reference to human rights and that M1 is not even a signatory to the most basic international standard for investment companies and private equity, the UN Principles for Responsible Investment. Nor is it a member of the UN Global Compact. M1 Group, therefore, appears to be an investor that has not expressed even basic commitments to international human rights standards.

M1 Group does not share the commitment to transparency and stakeholder engagement which was an essential part of Telenor's contribution to the Myanmar telecommunications market, and also does not have the experience or expertise to manage the serious and complex human rights challenges of operating in Myanmar and fulfil its responsibility to respect human rights. We are also concerned to hear from our international partners and read reports of M1 Group's operations in other telecommunications markets.

Furthermore, through its investment in Irrawaddy Green Towers (IGT), M1 Group is associated with military businesses which were identified in the August 2019 report of the UN's Independent Fact-Finding Mission. This analysed the Myanmar military's economic interests which are alleged to have enabled the most serious international crimes, including genocide, war crimes, and crimes against humanity. These allegations are currently before the world's highest courts - the International Criminal Court and the International Court of Justice. IGT is included in the 2019 report by virtue of its willingness to have a commercial relationship with MyTel, the operator which is part-owned by the military's Myanmar Economic Corporation (MEC). MEC has, since the coup, been widely sanctioned.

M1 Group's operations in other markets do not bode well for how they may operate in Myanmar if they took over from Telenor. M1 Group was co-founded by Najib Mikati - a former Lebanese Prime Minister and recently re-appointed as Prime Minister-delegate - and his brother Taha Mikati. The oligarch Mikati family have not only been accused of corruption within Lebanon but have a record of entering and exploiting authoritarian markets for profits. The Mikati family's Investcom conglomerate entered the Syrian market in 2001 soon after Bashar al-Assad took power, to operate one of two cell phone networks in Syria, MTN Syria, and has since complied with government orders' including filtering and blocking users' telecommunications particularly during protests to interfere with their ability to coordinate and organize. Following the sale of its Syrian outfit to a South African multinational telecommunications company, MTN Group, M1 Group remains one of the largest shareholders of MTN Group. Investcom also reportedly entered the Sudanese market in 2005, amidst continuing atrocities amounting to genocide in Darfur, and had partnered with a Yemeni

businessperson with close ties to former Yemeni dictator, Ali Abdullah Saleh. In 2019, Najib Mikati was charged with corruption and illicit enrichment in Lebanon. Earlier this year, the public prosecutor overseeing the case was removed in what the International Commission of Jurists termed an ‘attack on an already enfeebled judiciary’, in line with a ‘long history of utter subordination to the ruling political class in Lebanon’ - a class of which the Mikati family is part.

We note that in 2013, M1 Group bid for an operator’s licence in partnership with MTN and Amara Communications. Amara is owned by U Ne Aung who is a Politically Exposed Person (PEP) by virtue of his (deceased) father, a former General and Minister. His brother, Moe Aung, the current Commander in Chief of the Navy is a close collaborator of Senior-General Min Aung Hlaing. We would like to know what information the team conducting the sale and the Telenor Board sought or received about the actual or potential involvement of these PEPs, or other PEPs and sanctioned individuals, in the transaction.

We are particularly concerned that Telenor’s Board may not have taken into account the risk that by deciding to embark on this sale, opportunities will open up for military-connected individuals or entities on current sanctions lists to acquire a stake, as has occurred with other divestments in Myanmar or to benefit financially, whether as a broker or as an undeclared beneficial owner. We see this risk as significantly heightened since M1 is an investment company with a questionable long-term commitment to Myanmar, rather than an established telecommunications operator, and therefore more likely to be looking to make an onward sale. In December 2020, M1 Group, together with co-owner BluStone Management, entered an agreement to sell Irrawaddy Green Towers to another private equity player, CVC. This, together with Telenor’s highly discounted price, leads us to suspect that M1 Group may intend to resell all or part of the asset to other buyers who we believe would not pass Telenor’s due diligence.

Taking all of this into account, we are both surprised and concerned that a company of Telenor’s standing would contemplate selling their Myanmar business, including their employees and customers, in this risky manner, to a company with no apparent commitment to transparency or human rights.

We, therefore, call upon you to cancel or pause the sale of Telenor Myanmar to M1 Global and to conduct human rights due diligence that is transparent and constitutes the ‘credible impact assessment’ called for by the UNGPs. This should obtain the views of a variety of stakeholders, particularly civil society organisations, human rights defenders and individual users who will be affected if Telenor departs. The due diligence should look at the impacts of potential buyers as well as the option and impact of remaining if satisfactory buyers cannot be identified. The results of such an assessment should be made public and accessible. Any due diligence assessment already conducted by Telenor before this recent decision to sell should also be made accessible to relevant stakeholders in a detailed manner as soon as possible. It should include consideration of how Telenor intends to redress any human rights harms linked to its past activities, or newly imposed by the company’s exit.

We further urge that Myanmar human rights defenders, activists and civil society groups be directly spoken with and consulted by the highest levels of Telenor’s decision-making members. It seems evident that in the most recent sudden decision to sell, this consultation had not been prioritised.

As you will have noted from the comments of various Myanmar stakeholders following your announcement, Telenor is a highly regarded investor in Myanmar. However, the circumstances of this potential sale risk leaving a bitter taste, and negatively affecting Telenor’s local and global reputation as a responsible business. It will also dent the confidence of the Myanmar people that the Norwegian government, your major shareholder, is committed to the best interests of the Myanmar people.

We remain open to consultation and eager to contribute to your efforts to respect human rights in Myanmar and beyond.

Yours sincerely,

The undersigned organizations

1. Access Now
2. Advocacy Initiative for Development (AID)
3. Africa Freedom of Information Center
4. ALTSEAN-Burma (Alternative ASEAN Network on Burma)
5. Change Tanzania Movement
6. Civil Rights Defenders
7. Digital Woman Uganda
8. ForumCiv
9. Free Expression Myanmar
10. Global Voices
11. Global Witness
12. Internet Freedom Foundation (IFF)
13. International Service for Human Rights (ISHR)
14. Justice for Myanmar
15. Kijiji Yeetu
16. Last Mile4D
17. Manushya Foundation
18. MARUAH
19. MeSheWe Sweden
20. Media Matters for Democracy
21. Norwegian Burma Committee
22. Norwegian Forum for Development and Environment (ForUM)
23. Olof Palme International Center (OPC)
24. Open MIC (Open Media & Information Companies Initiative)
25. Open Net Association
26. Organization of the Justice Campaign
27. Paradigm Initiative
28. PEN America
29. Progressive Voice
30. Ranking Digital Rights
31. Rudi International
32. Social Media Exchange (SMEX)
33. Software Freedom Law Center, India (SFLC.IN)
34. Southeast Asia Freedom of Expression Network (SAFENet)
35. Securing Organizations with Automated Policymaking (SOAP)
36. S-studenters Burmanätverk
37. Swedish Burma Committee
38. Swedish Foundation for Human Rights
39. The Centre for Research on Multinational Corporations (SOMO)
40. The Peace Centre
41. Transparency International Czech Republic
42. Transparency International Norway
43. Ubunteam
44. U.S. Campaign for Burma
45. WITNESS
46. Yemeni Organization for Development and Exchange of Technology (YODET)
47. Zaina Foundation