KDDI Group and Sumitomo Corporation:

Do not facilitate human rights abuses by Burma's illegitimate regime

To:

Makoto Takahashi President, KDDI Group

Masayuki Hyodo President and CEO, Sumitomo Corporation

We are writing to express alarm at <u>reports</u> that your business partner, State-owned telecommunications firm Myanma Posts and Telecommunications (MPT), has complied with orders from Burma's illegitimate junta to install intercept technology at its data centers. We are deeply concerned that, given the total absence of legal safeguards, nothing prevents the regime from using MPT's infrastructure to violate the right to privacy of its more than 27 million customers and subject them to further human rights abuses.

Since 2014, MPT has been running its telecommunications business under a joint operation agreement with KDDI Summit Global Myanmar Co., Ltd. (KSGM), a subsidiary of a Singapore-based joint venture of your two companies. Both KDDI and Sumitomo pledged a USD 2 billion investment over ten years. KSGM now <u>leases</u> telecommunication equipment and provides technical and project operation support to MPT, as well as training for MPT staff.

Given KDDI's and Sumitomo's stake in and power over the joint operation, you carry responsibility for the human rights impacts caused by MPT's activities. We are deeply concerned by your seemingly weak response to and overall lack of transparency regarding reports that MPT had made preparations to collaborate with the regime's surveillance efforts. Even more worrisome is the fact that Sumitomo and KDDI continue to do business with a company that is now fully controlled by the junta, thus enabling the regime to generate sizable profits to fund its nationwide campaign of terror against the people of Burma.

Since it forcibly seized power on 1 February 2021, the military has intensified efforts to monitor communications as part of a large-scale crackdown on its opponents, including by pressuring service providers to assist in spying on the population. This illegitimate regime has already killed over 1,178 civilians and arbitrarily detained over 9,028 as part of a systematic repression campaign that <u>amounts</u> to crimes against humanity. Many more could be at risk if the junta is allowed unchecked access to telecommunications infrastructure and profits from the joint operation.

Because KDDI Group and Sumitomo Corporation are headquartered in Japan, your worldwide operations should comply with the <u>OECD Guidelines for Multinational Enterprises</u>. Under the Guidelines, you should avoid causing or contributing to adverse human rights impacts; and seek ways to prevent or mitigate adverse human rights impacts that are directly linked to your business operations, products or services by a business relationship. You should also carry out human rights due diligence as appropriate to the nature and context of operations. This entails assessing the actual and potential human rights impacts of your activities, integrating and acting upon the findings, tracking responses, and communicating how these impacts are addressed.

These principles are also reflected in the <u>UN Guiding Principles on Business and Human Rights</u>. KDDI Group says it "strive[s] to avoid any direct involvement in discrimination or infringement of human rights" and "to respond appropriately when any negative impacts on human rights occur". Sumitomo <u>says</u> it operates in accordance with the Guiding Principles. It is also an <u>active member</u> of the UN Global Compact, a principle-based framework for businesses, and as such has pledged to ensure it is not complicit in human rights abuses.

On 29 September 2021, <u>KDDI</u> and <u>Sumitomo</u> expressed deep concern about the situation in Burma regarding "lawful interception", noting however that KSGM was "not subject to direct instructions from the regulatory authority with regard to interception." Your companies stated that they had requested

MPT "to ensure that proper process is secured for each individual case so that the basic human rights of the people of Myanmar are not negatively affected and that tangible and intangible assets provided by KSGM are not used in situations that violate" KDDI's and Sumitomo's human rights policy.

Such a half measure will do little to protect the rights of MPT's customers. The regime has made it clear that it will use every means at its disposal to crack down on dissent; and it is now in full control of both MPT and the country's judiciary. Under these circumstances, mere requests for "proper process" are not even a bare minimum, and certainly cannot be qualified as an appropriate response.

On 12 May 2021, the Vice-Chair of the UN Working Group on the issue of human rights and transnational corporations and other business enterprises <u>stated</u> that, because the risk of gross human rights violations had greatly increased since the coup, human rights due diligence by businesses and investors should be rapidly and proportionately heightened. We are concerned by the fact that KDDI Group and Sumitomo Corporation have not yet provided any evidence that they have taken the necessary steps to strengthen their due diligence mechanisms accordingly.

We also strongly condemn both your firms for signaling that you had no plans to stop your business relationship with junta-controlled MPT, under the pretense that your "actions are exerting positive effects from the perspective of providing technical and marketing support for the country's communication service, which is an essential element of its people's lives and economic activities, as well as of respecting human rights." Such a position is inconsistent with the principles you claim to abide by and could amount to complicity in the junta's atrocity crimes.

We therefore urge KDDI Group and Sumitomo Corporation to withdraw from the joint operation agreement with MPT and cease all business activities with junta-controlled or any State-owned companies. Should your firms fail to take these steps, you should, <u>at the very least</u>:

- 1. Disclose the steps you have taken to heighten your due diligence mechanisms in light of the increased risk of gross human rights violations since the coup;
- 2. Engage in heightened human rights due diligence, incorporating tools from atrocity prevention, to assess whether MPT's infrastructure, KSGM assets or profits from the joint operation are being used to crack down on dissent and commit gross human rights violations;
- 3. Make the findings of your investigation public and take the appropriate measures to protect the rights of MPT's customers.

Sincerely,

The undersigned:

Organizations:

- 1. Action Committee for Democracy and Development (ACDD)
- 2. ALSTEAN-Burma
- 3. AM-net (Advocacy and Monitoring Network on Sustainable Development)
- 4. Asia-Japan Women's Resource Center
- 5. Asia-Pacific Human Rights Information Center (HURIGHTS OSAKA)
- 6. Athan
- 7. Australian Human Rights Institute
- 8. AYUS International Buddhist Cooperation Network
- 9. Burmese Relief Center Japan
- 10. Campaign for a New Myanmar
- 11. C-Rights

- 12. Democracy, Peace and Women's Organization (DPW)
- 13. Fédération Internationale des Droits Humains FIDH
- 14. Friends of the Earth Japan
- 15. Future Thanlwin (FT)
- 16. Fukuoka NGO forum on ADB
- 17. Global Legal Action Network
- 18. Human Rights Foundation of Monland (HURFOM)
- 19. Human Rights Now
- 20. Inclusive Development International
- 21. International Campaign for the Rohingya
- 22. Japan Campaign to Ban Landmines
- 23. Japan International Volunteer Center
- 24. Japan Tropical Forest Action Network (JATAN)
- 25. Kachin Women's Association Thailand (KWAT)
- 26. Karen Human Rights Group (KHRG)
- 27. Keng Tung Youth
- 28. Mekong Watch
- 29. Myanmar People Alliance Shan State (MPA-SS)
- 30. No Business With Genocide
- 31. Nyan Lynn Thit Analytica (NLTA)
- 32. Olive Organization
- 33. Pacific Asia Resource Center (PARC)
- 34. Progressive Voice
- 35. Save and Care Organization for Ethnic Women at Border Areas (SCOEWBS)
- 36. Shan MATA
- 37. Services for the Health in Asian & African Regions (SHARE)
- 38. WE21 Japan
- 39. Women's Active Museum on War and Peace (WAM)
- 40. Women's Democratic Club, Femin
- 41. Women's League of Burma (WLB)

Five Burma organizations wishing to remain anonymous for their safety.

Individuals:

- 1. Chisato Takahashi
- 2. Dan Inoue
- 3. Hideaki Yahiro, Services for the Health in Asian & African Regions (SHARE)
- 4. Hoshino Satoshi
- 5. Keiko Nakao
- 6. Kimiyasu Imamura

- 7. Machiko Kaida, C-Rights
- 8. Makoto Teranaka
- 9. Masashi Yokota
- 10. Mieko Morgan, Services for the Health in Asian & African Regions (SHARE)
- 11. Mika Edaki
- 12. Mio Nogawa, Alternative People's Linkage in Asia (APLA)
- 13. Reiko Ogawa, C-Rights
- 14. Saori Matsuo
- 15. Shoko Seto
- 16. Takako Yamamoto
- 17. Taizo Imano
- 18. Toru Honda, Services for the Health in Asian & African Regions (SHARE)