Joint statement: AFRY's decision to leave Myanmar welcome but concerns remain

The Swedish engineering firm AFRY has announced its <u>intention to withdraw</u> from Myanmar, where it has been involved in controversial hydropower projects for over two decades. The undersigned organisations welcome the move to stop doing business with the military junta but remain deeply concerned about AFRY's delayed response and failure to realise the gravity of its dealings with the Myanmar military.

AFRY's decision to leave Myanmar comes after <u>criticism</u> from <u>local</u> and international human rights organisations. AFRY allegedly disregarded <u>sustained opposition</u> from communities affected by its dam projects, and continued to cooperate with and receive payments from Myanmar authorities after the military coup in 2021. According to leaked documents, obtained by Justice For Myanmar, AFRY received almost USD 5 million in consultancy fees directly from the Department of Hydropower Implementation of the junta's electricity ministry.

AFRY's conduct in Myanmar raises serious questions about the company's human rights due diligence procedures. It took the company more than two years after the attempted military coup to announce its exit, and it chose to do business with the Department of Hydropower Implementation after it was illegally taken over by the Myanmar military, which stands accused of genocide, war crimes, and crimes against humanity. AFRY's cooperation with the junta continued despite EU sanctions on the State Administration Council and junta leadership.

Now that AFRY has announced its intention to withdraw from Myanmar, we urge the company to:

- Immediately end all technical support and cooperation with the military junta.
- Make public its human rights due diligence in relation to its Myanmar operations, including the evidence to support its conclusion that "AFRY has not contributed to any violations of human rights."
- Take all measures necessary to ensure a responsible exit from Myanmar in line with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.
- Investigate any negative impact on human rights that might have occurred as a result of AFRY operations in Myanmar, in close dialogue with affected local communities. All negative impact must be properly remediated.

The company's shareholders and financiers, including several big Swedish banks, should also act to ensure that the company takes these necessary steps, which are in line with the investors' own human rights commitments.

Signed by,

Fair Finance Guide Justice For Myanmar Olof Palme International Center Swedish Burma Committee Swedwatch