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KIRIN CUTS TIES WITH MILITARY-OWNED CONGLOMERATE IN MYANMAR – ENDING YEARS OF A PROBLEMATIC BUSINESS RELATIONSHIP

Amnesty International welcomes the Japanese brewer Kirin’s announcement that it is terminating its business relationship with the military-linked business conglomerate Myanma Economic Holdings Public Company Limited (MEHL). This follows years of Amnesty International’s research and campaigning to expose the problematic links between Kirin and MEHL, including [donations](#) made by Kirin’s subsidiary Myanmar Brewery to the military amid a devastating campaign of violence against the Rohingya population in 2017.

In its report of September 2020, [Military Ltd.](#), Amnesty International further showed how a number of international businesses – including Kirin, South Korean steelmaker POSCO and Wanbao Mining from China, among others – were linked to the financing of Myanmar’s military units implicated in crimes under international law and other serious human rights violations.

Amnesty International’s investigation demonstrated that officers and military units of the Myanmar military received dividends from shares they owned in MEHL, which partners with local and foreign companies in a range of business ventures from mining to manufacturing. Many of these same shareholders have committed crimes under international law and other serious human rights violations, including war crimes, against ethnic minority groups in Kachin, Rakhine and northern Shan States while eluding accountability. Companies in partnerships with MEHL therefore risk being linked to serious human rights violations committed by the military in Myanmar.

Over the course of MEHL’s relationship with its business partners, the conglomerate has shown no willingness to meaningfully engage with its business partners, provide thorough and transparent information about its military shareholder base, or reform its structure to address the problematic issues raised in Amnesty’s and others’ report, including the 2019 [economic interests report](#) issued by the UN Fact-Finding Mission on Myanmar.

The military coup

This week’s military coup in Myanmar, led by Commander-in-Chief Senior General Min Aung Hlaing – shareholder of MEHL and member of its “patron group” – provides yet another link between MEHL and human rights violations. The coup has already led to a string of arbitrary arrests, as well as clampdowns on dissent and freedom of expression.

Kirin itself acknowledged in its statement today that it is “deeply concerned by the recent actions of the military in Myanmar” and that the current situation has left them with “no option but to terminate our current joint-venture partnership with [MEHL]”.

Amnesty International calls on all other companies in business relationships with MEHL, to follow suit and responsibly end all business ties with the military-linked conglomerate. One of the largest companies in partnership with MEHL is South Korean POSCO, who like Kirin, has established joint ventures in Myanmar with the military-owned conglomerate. Other companies include RMH Singapore Pte., which jointly with MEHL owns

Virginia Tobacco Co. Ltd.; Wanbao Mining, a subsidiary of one of Chinese largest state-owned companies, involved in copper and cobalt mining in Myanmar; and South Korean INNO Group, involved in a number of business ventures with MEHL. Myanmar company, Ever Flow River Group, has also partnered with MEHL in developing an inland port in Yangon.

Previous military coups and crackdowns in Myanmar have seen large scale violence and unlawful killings by security forces. Since the coup, the human rights risks of engaging in any business partnership with MEHL have substantially increased.

All companies operating in Myanmar

Amnesty International continues to be deeply concerned by the arrests of elected officials, political activists and human rights defenders and other human rights violations by the military and calls on all companies to urgently and thoroughly reassess the human rights impact of their business operations and partnerships in Myanmar.

Although the UN Guiding Principles on Business and Human Rights require companies to conduct human rights due diligence in all situations, the military coup in Myanmar raises a number of additional risks. These include the fact that the military now controls the entire government including ministries involved in the country's economy, potentially drawing companies into direct relationships with the military. In this context, companies must also seek to prevent or mitigate any adverse human rights impact directly linked to their operations or business partnerships, even if they have not contributed to those impacts.