



Human Rights Now



May 22, 2020

Mr. Yoshinori Isozaki  
President and CEO  
Kirin Holdings Company, Ltd  
4-10-2 Nakano-ku  
Tokyo 164-0001  
Japan

## Re: Kirin Business Operations in Myanmar

Dear Mr. Yoshinori Isozaki,

We, the undersigned civil society groups, are writing to urge you to review the business operations of Kirin Holdings Company, Ltd (“Kirin”) in Myanmar. Specifically, we call on Kirin to end its partnership with the military conglomerate Myanmar Economic Holdings Ltd. (MEHL) in light of the widespread and continuing human rights violations committed by the Myanmar armed forces, the Tatmadaw, against the Rohingya, Rakhine, and other ethnic minorities in the country. This partnership is contrary to Kirin’s Human Rights Policy and harms the company’s global image.

### *Military Abuses in Rakhine State*

Since August 2017, Myanmar’s security forces have waged a campaign of ethnic cleansing and carried out numerous crimes against humanity including killings, sexual violence, and forced removal against the ethnic Rohingya population in Rakhine State. As a result, more than 740,000 Rohingya fled to Bangladesh in the past two years.

A United Nations-established Fact-Finding Mission (FFM) [report](#) in 2018 found that the atrocities carried out by the armed forces “rise[s] to the level of both war crimes and crimes against humanity.” In October 2018, Marzuki Darusman, the head of the FFM, said that the situation in Rakhine State amounted to “an ongoing genocide.”

In a September 2019 [report](#), the FFM found that “any foreign business activity” involving Myanmar’s military and its conglomerates Myanmar Economic Holdings Limited (MEHL) and Myanmar Economic Corporation (MEC) pose “a high risk of contributing to or being linked to, violations of human rights law and international humanitarian law. At a minimum, these foreign companies are contributing to supporting the Tatmadaw’s financial capacity.” The FFM called for the “financial isolation” of the Tatmadaw to deter continuing and future violations of international human rights and humanitarian law.

A March 4, 2020 [report](#) by Yanghee Lee, the United Nations Special Rapporteur on the situation of human rights in Myanmar, recommended “that companies operating in Myanmar respect human rights throughout their work and supply chains, in line with the [United

Nations] Guiding Principles on Business and Human Rights.” It added that companies “must undertake heightened due diligence, particularly regarding conflict areas, and consider declining sales if the risks are found to be too high.”

The Myanmar government continues to block access to Rakhine State for most UN agencies, many international humanitarian organizations, human rights groups, and the independent media. Although the government claims it enabled an international investigation by the International Commission of Enquiry (ICOE), which the government established, the full ICOE final report has not been made public. The ICOE’s published executive summary shows that ICOE reporting suffers from weak methodology, flawed investigations, and large gaps in its coverage of grave abuses against the Rohingya. Nonetheless, ICOE’s executive summary contains important admissions of military wrongdoing with which Kirin should be aware.

International condemnation of the military’s actions has been extremely strong. On January 23, 2020, the International Court of Justice unanimously adopted “provisional measures” that require Myanmar to prevent genocide in Rakhine State and take steps to preserve evidence of past crimes. In November 2019, the International Criminal Court (ICC) authorized the ICC prosecutor to investigate alleged crimes against humanity, namely deportation, other inhumane acts, and persecution against Rohingya that it ruled took place in Myanmar but were completed in Bangladesh, an ICC state party.

#### ***Kirin’s links to human rights abuses in Myanmar***

In 2015, Kirin [acquired](#) 55 percent of Myanmar Brewery Ltd. (MBL) in a partnership with the military-owned conglomerate MEHL. It [transferred](#) 4% of its outstanding shares to MEHL in 2017. Following this initial partnership, Kirin [acquired](#) 51 percent of Mandalay Brewery in another joint venture with MEHL in 2017. The 2019 FFM report also noted Kirin’s partnerships with MEHL.

Kirin’s subsidiary MBL made a donation of at least US\$30,000 to the Myanmar military between September and October 2017, according to [Amnesty International](#). This was during the period when the military’s campaign of ethnic cleansing against the Rohingya was at its height.

On December 14, 2018, Kirin [admitted](#) it was unable to determine conclusively that a US\$6,000 donation made by its subsidiary MBL to MEHL on September 1, 2017 was used for humanitarian purposes. At the time of this admission, Kirin also announced a six-step action plan including suspending “charitable donations by MBL.”

In a news [release](#) on June 15, 2018, Kirin said it had “significant reasons” for believing that two other donations – one provided on September 27, 2017 and another on October 3, 2017 – were “not in fact misused or given to the military” because the former was in the form of “rice and cooking oil” given “directly to victims from the conflict in Rakhine State,” and the latter was a total of US\$22,500 given directly to “civilian volunteers” and “witnessed” by Myanmar Brewery workers.

In the cases of all three donations to the Tatmadaw, Kirin has not conducted any independent investigation of these donations nor provided documentary evidence to back up its claims, according to [Amnesty International](#).

***Kirin's human rights commitments***

If Kirin is serious about upholding the Kirin Group's [Human Rights Policy](#), which states the company will respect international commitments to human rights including the International Bill of Human Rights and the United Nations Guiding Principles on Business and Human Rights, it should urgently act to end its business partnership with the MEHL and prevent its subsidiaries from making any further donations to the military. Kirin's partnership with the Myanmar military serves only to burnish the Tatmadaw's image at the expense of Kirin's global reputation and helps whitewash the countless atrocities that the military perpetuated against the Rohingya.

By deciding to operate in Myanmar in a way that does not finance the Myanmar military or legitimize its reputation, specifically by ending its partnership with MEHL, Kirin will send a message to the Tatmadaw, the Myanmar government and the global community that the grave international crimes against the Rohingya have consequences, and the fate of the 740,000 Rohingya refugees living in dire conditions in Bangladesh will not go unrecognized.

At this time, we are sending this letter privately to your company in the interest of making progress towards a solution that complies with the international human rights standards contained in the Kirin Group's Human Rights Policy. We plan to publish this letter in the future, and we would welcome any comment from your company. If you would like your response to be published alongside this letter, please send us a response by June 12, 2020. We would also be willing to meet with you or your representatives to discuss our concerns.

Thank you for your consideration regarding these important matters.

Sincerely,

Human Rights Now  
Human Rights Watch  
Japan International Volunteer Center  
SHAPLA NEER = Citizens' Committee in Japan for Overseas Support