**AMNESTY INTERNATIONAL
PRESS RELEASE

Embargoed until 00:01 JST on 15 June 2018 (15:01 GMT on 14 June 2018)**

**Japan: Investigate brewer Kirin over payments to Myanmar military amid ethnic cleansing of Rohingya**

* ***Japanese beer company admitted its subsidiary made three donations during recent violence in Rakhine State***
* ***Head of military filmed receiving donation which he said was for security forces***
* ***Kirin admits it does not know how its donations were used***

Japanese authorities must urgently launch an investigation into payments that a subsidiary of the multinational brewing giant Kirin made to Myanmar’s military and authorities at the height of an ethnic cleansing campaign against the Rohingya population in late 2017, Amnesty International said today.In [correspondence with Amnesty International](https://app.box.com/s/1zxkmaey5oi3hmy3z133cldtuh7j03y9), Kirin Holdings Company, Inc. said that its subsidiary Myanmar Brewery made three donations totalling USD$30,000 to the authorities between 1 September and 3 October 2017.

Kirin said that the payments were intended to help the victims of the violence, however Amnesty International understands that the first donation was made by Myanmar Brewery staff to the Commander-in Chief of Myanmar’s armed forces, Senior General Min Aung Hlaing at a televised ceremony in the capital Nay Pyi Taw on 1 September 2017, according to the Senior General’s own Facebook page. Kirin later confirmed that a donation of $6,000 was made on that date. Min Aung Hlaing said the donations would in part go towards, “security personnel and state service personnel”, operating in Rakhine State.“It beggars belief that any international investor would make donations to Myanmar’s military at a time when those very forces were carrying out ethnic cleansing of the Rohingya population in northern Rakhine State,” said Seema Joshi, head of Business and Human Rights at Amnesty International.

“Not only is there a risk that these donations actually funded the operations of military units involved in crimes against humanity, but the choice to appear in a donation ceremony with Myanmar’s top military leaders also sends a worrying message that Myanmar Brewery endorsed the military’s actions against the Rohingya population.“Japan has a responsibility to ensure that its companies do not contribute to human rights abuses, regardless of where they operate. The Japanese authorities should urgently investigate these questionable gifts.” **Kirin’s investment in Myanmar**

In 2015 Kirin bought a 55% stake in Myanmar Brewery, the country’s largest beer maker, for USD$560 million. A powerful conglomerate owned by serving and former members of the military, Union of Myanmar Economic Holdings Limited (UMEHL, also known as Myanmar Economic Holdings Limited), owns the remainder. On 29 August 2017, the Myanmar government gave Kirin clearance to invest a further USD$4.3 million for a 51% stake in Mandalay Brewery, in a separate joint venture with UMEHL. Through these investments, Kirin says it controls 80% of Myanmar’s growing beer market.

Kirin is a major international brewer, which along with its own brands owns the Lion beverage company in Australia and New Zealand and has a 48.6% stake in San Miguel, of the Philippines.

The donations were made at a time when global media were awash with reports of the Myanmar security forces committing atrocities against Rohingya women, men and children, who were already fleeing by their tens of thousands into neighbouring Bangladesh.

On 11 September 2017, the United Nations High Commissioner for Human Rights described the attack on the Rohingya as “[a textbook example of ethnic cleansing](https://news.un.org/en/story/2017/09/564622-un-human-rights-chief-points-textbook-example-ethnic-cleansing-myanmar)” and extensive research by Amnesty International went on to identify [multiple crimes against humanity](https://www.amnesty.org/en/latest/news/2017/10/myanmar-new-evidence-of-systematic-campaign-to-terrorize-and-drive-rohingya-out/) being committed by Myanmar’s security forces. These were widely reported on internationally, but Kirin made further donations to the Rakhine State authorities even after this, on 23 September and 3 October 2017, the company has disclosed.

**Open source evidence debunks ‘humanitarian’ claims**In an April 2018 letter to Amnesty International, Kirin stated that all three donations – two financial contributions as well as an in-kind donation of rice and cooking oil – were made to the Rakhine State government, in response to a request for humanitarian relief for victims of the violence. But Kirin’s assertions the donations were not made to the military are contradicted by open source evidence, including statements posted online by Myanmar’s Commander-in-Chief, Senior General Min Aung Hlaing.

Amnesty International’s Digital Verification Corps analysed and verified videos posted to the Senior General’s Facebook account, one of which shows him and other uniformed military officials accepting gifts from representatives of various Myanmar companies at an official ceremony on 1 September.
This came a week after the start of the most recent crisis in Rakhine State, when there was [a series of attacks by the armed group Arakan Rohingya Salvation Army](https://www.amnesty.org/en/latest/news/2018/05/myanmar-new-evidence-reveals-rohingya-armed-group-massacred-scores-in-rakhine-state/) (ARSA) on 25 August 2017. Amnesty International and others have documented in detail how the Myanmar military’s vicious response was marked by [killings, rape and other sexual violence, torture, village burning](https://www.amnesty.org/en/latest/news/2017/10/myanmar-new-evidence-of-systematic-campaign-to-terrorize-and-drive-rohingya-out/), [forced starvation tactics](https://www.amnesty.org/en/latest/news/2018/02/myanmar-fresh-evidence-of-ongoing-ethnic-cleansing-as-military-starves-abducts-robs-rohingya/), and other violations which constitute crimes against humanity under international law. More than 700,000 Rohingya people were forced to flee to Bangladesh, where they remain.

In his televised address on 1 September 2017, Min Aung Hlaing justified the military operations, and said that the gifts from businesses were “cash donations for security personnel and state service personnel who risked their lives while shouldering national defence and security duties and ethnic natives who fled their homes due to brutal attacks of ARSA.”

**Joint venture donations**
To Amnesty International’s knowledge, the Senior General did not make public statements about the other donations that Kirin has admitted to.
But he did post remarks on Facebook on 11 September about a separate ceremony, where UMEHL and 18 of its joint venture businesses donated a further USD$19,200 to the military. Kirin did not state whether it had contributed then as well.

According to Min Aung Hlaing, these donations were “for security troops and departmental personnel discharging State defence and security duties at risk of sacrifice in Rakhine State and local people who fled from native places due to terror attacks of ARSA … and to carry out fencing at the border region.”

Only days earlier, Amnesty International and media reports had documented how the Myanmar security forces were using [internationally banned landmines](https://www.amnesty.org/en/latest/news/2017/09/myanmar-army-landmines-along-border-with-bangladesh-pose-deadly-threat-to-fleeing-rohingya/) along the border fence. Bangladesh’s government [lodged a formal complaint](https://www.reuters.com/article/us-myanmar-rohingya-bangladesh-landmines/exclusive-bangladesh-protests-over-myanmars-suspected-landmine-use-near-border-idUSKCN1BH04F) with Myanmar’s authorities over their use.

**No paper trail provided**

According to Kirin, Myanmar Brewery “has never made donations with the intent of supporting military operations in Rakhine State or anywhere else, either directly or through [U]MEHL.” Kirin also stated that under the terms of its partnership with UMEHL, there is a clause “that explicitly prohibits the use of Myanmar Brewery funds for military purposes.” However, the company provided no evidence that it conducted checks to ensure UMEHL’s compliance with this clause. When pushed, Kirin said that the terms of this agreement are confidential. Also, it is not certain that donations of this nature would be covered by Kirin’s joint venture agreement with UMEHL.

Kirin told Amnesty International that UMEHL had requested the donations and later informed Kirin they had been deposited directly into a bank account owned by the Rakhine State government. But the company did not provide any evidence of these bank deposits, nor could it account for how the money was ultimately spent, admitting that, “we did not sufficiently pursue details of which vehicle would ultimately be responsible for doing so.”Even if the Rakhine State government was the recipient of the donations, rather than the military, it would still raise serious human rights concerns – Amnesty International has found those authorities responsible for creating and maintaining a longstanding [state of apartheid for Rohingya](file:///C%3A%5CUsers%5Ccfortune%5CAppData%5CLocal%5CMicrosoft%5CWindows%5CINetCache%5CContent.Outlook%5C8OARF6G4%5Cincluding%20the%20longstanding%20crime%20of%20apartheid%20against%20the%20Rohingya%20population), a crime against humanity.“By donating to the military and/or the Rakhine State authorities, Myanmar Brewery has risked worsening the human rights situation for Rohingya and other ethnicities who face longstanding discrimination. It is extremely worrying that the company could not account for where these funds ended up,” said Seema Joshi.
**Corporate responsibility**Kirin’s responsibility to respect human rights has been outlined by the [*United Nations Guiding Principles on Business and Human Rights*](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf). Under this internationally recognized standard, companies like Kirin have a responsibility to respect all human rights wherever they operate.

In order to fulfil this responsibility, companies must ensure that their business activities do not cause or contribute to human rights abuses. Companies should identify and assess their potential or actual human rights impacts by undertaking a risk-based due diligence analysis.

According to information provided in its letters to Amnesty International, Kirin has not undertaken such steps, and as a result has risked contributing to human rights abuses in Myanmar, both through its donations to the authorities, as well as appearing to endorse the military’s actions in Rakhine State.Kirin instituted a new global [human rights policy](https://www.kirinholdings.co.jp/english/csv/human_rights/policies.html) in February 2018 and the company told Amnesty International that it intends to prioritize a review of Myanmar Brewery’s dealings in the country. It has also announced the suspension of all donations.

“An internal review at this stage based on a policy that was put in place four months after these dodgy donations is simply too little, too late. Any potential damage has likely already been done,” said Seema Joshi.

“This is a textbook example of why companies need to conduct human rights due diligence. To be clear – Amnesty International is not calling for businesses to boycott Myanmar. Nor are we opposed to foreign companies investing in Myanmar. But we do call on Kirin, as with other companies, to act responsibly and disclose the steps they take to avoid contributing to human rights violations in a high-risk environment.”

Japan also has a duty to ensure that its corporations doing business in Myanmar do not cause or contribute to human rights abuses. The Japanese authorities should investigate these payments, and also require Japanese companies to undertake due diligence prior to investing or undertaking business operations in Myanmar.

**The correspondence between Amnesty International and Kirin is available here:**<https://app.box.com/s/1zxkmaey5oi3hmy3z133cldtuh7j03y9>

**Background**In 2016 the Government of Japan officially announced its intention to formulate a [National Action Plan (NAP) on Business and Human Rights](http://www.mofa.go.jp/mofaj/files/000357074.pdf). Efforts to regulate the conduct of companies to ensure they respect human rights are of course needed, and Amnesty International is calling for the NAP to finalized as soon as possible. However, Japan’s government must not use the ongoing development of the NAP as an excuse to delay immediate action on corporate wrongdoing.

Public Document
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