

Featured Stories

Public companies financially supporting the illegitimate Myanmar junta

Thursday 6 May 2021, by [Justice for Myanmar](#) (Date first published: 6 May 2021).

The Myanmar military, which attempted a brutal and unlawful coup on Feb 1, is waging a campaign of terror against the people that involves deliberate killings, indiscriminate airstrikes, mass arrests and torture.

The military's criminal conduct is enabled by its business interests. Justice For Myanmar continues demand businesses act now and end their complicity in the military's crimes. Justice For Myanmar calls on institutional investors to take immediate action against companies that are profiting from the bloodshed in Myanmar. We call on activists and civil society around the world to stand with the people of Myanmar and pressure investors of these companies to act.

The Excel file below details publicly listed companies linked to the Myanmar military junta and its conglomerates.

The document is divided into two categories with different demands for action:

Category One: Companies with a direct and long-term relationship with the Myanmar military or military-controlled businesses predating February 1, 2021, including those which have supplied arms. These companies have longstanding links to the severe and ongoing international human rights and humanitarian law violations in Myanmar.

Category two: Companies with a direct commercial relationship with Myanmar state entities that came under military control following the February 1, 2021 coup, including joint ventures and significant land leases. These companies should immediately suspend all payments to Myanmar state-owned entities. Instead, they should transfer payments into a protected account until democracy is restored in Myanmar and the military is under civilian control. If these companies are unable to suspend such payments, then they should responsibly end their business with the Myanmar junta.

Without urgent action, institutional shareholders of these companies could be complicit in the Myanmar military's grave violations of human rights in Myanmar. We call on shareholders to divest from those companies in category one, and urgently demand that companies in category two immediately stop financially supporting the Myanmar junta, or divest.

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Investor responsibility to act

In August 2019, the United Nations Independent International Fact-Finding Mission on Myanmar released a report on the economic interests of Myanmar's military which included recommendations to investors that institutional shareholders should heed.

The [UN Fact-Finding Mission](#) concluded that foreign companies involved in commercial relationships with Myanmar's military, MEHL or MEC pose a "high risk" of contributing or being linked to violations of international human rights and humanitarian law. It urged foreign companies to "sever their relationships" with these entities, or otherwise risk being complicit "in law, fact or the eyes of the broader public", in contributing to the financial resources available to the military. The Report "put companies on further and effective notice" of the human rights implications that arise from maintaining business relationships with the military.

The Report included recommendations for investors in Myanmar military controlled entities "and all of their subsidiaries and business relationships" to cut ties. The report specified capital investments and loans.

Companies also have a clear responsibility under the [OECD Guidelines for Multinational Enterprises](#) (OECD Guidelines) and the [United Nations Guiding Principles on Business and Human Rights](#) (UNGPs). Companies whose products or services are directly linked to severe human rights impacts through a business relationship (for example, with a military junta) are expected to consider [responsibly disengaging](#). This responsibility is a global standard of expected conduct for all companies wherever they operate and exists independently of States' ability to fulfil their own human rights obligations.

Importantly, institutional investors, including pension funds and their asset managers holding shares in these companies, also have a responsibility under the OECD Guidelines and UNGPs to use their leverage to convince their investee companies to act responsibly, and to divest from those companies if they do not act responsibly. Given the longstanding and irresponsible ties between the companies in category 1 and the Myanmar military, institutional investors should divest immediately from these companies. If the asset managers do not do so, the OECD Due Diligence Guidance for Responsible Business Conduct indicates that they risk deepening their relationship to and responsibility for the atrocities in Myanmar. Under the OECD Guidelines, the institutional investors may no longer simply be considered to be "linked" to the abuses but could be considered to be "contributing" to them, and they may be subject to a formal complaint to this effect under the OECD Guidelines' complaint mechanism.

Under the OECD Guidelines and UNGPs, institutional investors have a responsibility to conduct meaningful, time-bound engagement with the companies in category 2 above to insist that they immediately suspend payments to the junta. If the companies do not immediately indicate that they are willing to take these steps and at least initiate a process to begin doing so, institutional investors should divest their shares of the companies until the companies are in compliance with the OECD Guidelines and UNGPs.

For both categories, institutional investors should be transparent about their due diligence steps and decision-making related to engagement and divestment from the shares directly linking them to Myanmar military junta and its conglomerates. They should communicate to the Myanmar people how they are addressing their human rights impacts that is sufficient to evaluate the adequacy of their due diligence and their response.

Justice For Myanmar

For more, see [*Investing in the Military Cartel*](#), a report into Dutch pension fund holdings by Justice For Myanmar.

P.S.

- Justice For Myanmar. May 6, 2021:
<https://www.justiceformyanmar.org/stories/public-companies-financially-supporting-the-illegitimate-myanmar-junta>