

Mining machinery sales in Myanmar may be aggravating human rights abuses

Two years after Swedwatch highlighted alarming environmental and human rights impacts of irresponsible jade mining in Myanmar, major mining machinery suppliers seemingly still lack adequate safeguards in their sales. In a new report, Swedwatch calls again on Caterpillar Inc., Komatsu Ltd and Volvo Construction Equipment to comply with international human rights standards for doing business in high risk areas.

Kachin state in northern Myanmar is home to what has been termed “the world’s longest running civil war”. It also produces 90 percent of the world’s jade gemstones, an industry worth billions of dollars, enriching both the Myanmar military and its opponents the Kachin Independence Army.

Since the early 2000s, an influx of heavy mining machinery has accelerated jade extraction. Irresponsible mining practices have led to serious human rights impacts including deadly landslides and loss of land and livelihoods. The jade industry is believed to worsen acute social issues in the region, including heroin addiction and commercial sexual abuse. More than ten thousand mining machines were used in the jade mines in 2016, many produced by global leaders Caterpillar, Komatsu and Volvo CE.

The new report *[Still Overlooked – Communities affected by jade mining operations in Myanmar, and the responsibilities of companies providing machinery](#)*, compiled with the support of Act Church of Sweden, revisits an *[investigation conducted in 2018](#)*. Community members told Swedwatch that the human rights situation has deteriorated further around Hpakant Township, the worst affected area.

Although the situation in Kachin has been well-documented for years, the three companies were unable to show in 2018 that they had conducted human rights due diligence, a core concept of international responsible business standards. When contacted by Swedwatch for this follow up report, only Volvo CE had taken initial steps to initiate something similar to such a process.

“The three companies cannot be considered accountable for the complex situation in Kachin but in our dialogue with them, only Volvo CE appears to have started looking into the impacts from its products in Myanmar,” said the report author, Swedwatch Head of Research Therese Sjöström Jaekel.

This is contrary to the UN Guiding Principles on Business and Human Rights – the UNGPs – which state that businesses must try to prevent or mitigate the adverse human rights impacts linked to their products – even when the impacts are caused by a customer.

The companies’ level of responsibility in the human rights impacts has arguably shifted over time due to their failure to act, particularly as they have been notified about the contexts in which their products have been used. At least two of the companies – Caterpillar and Komatsu – may by now, according to the logic of the UNGPs, be considered to be “contributing to” some of the ongoing human rights abuses. Depending on whether Volvo CE’s recent initiative leads to concrete action, this may also be applicable to Volvo CE.

“The global mining machinery companies’ seemingly blatant lack of safeguards is a matter of serious urgency and should be made a priority by Caterpillar, Komatsu, Volvo CE, and by all companies

selling mining equipment in Myanmar,” said Aron Lindblom, Regional policy advisor for Asia and Latin America at Act Church of Sweden.

Unless Caterpillar and Komatsu can show that they have taken action to assess the impacts of their products, they should, in line with their responsibilities under the UNGPs, contribute to remediating the negative impacts of the use of their equipment in the jade mines.

They are expected to act immediately to ensure they do not exacerbate the situation. Depending on the quality of its due diligence efforts, the same may also apply to Volvo CE.

Swedwatch and Act Church of Sweden call on mining machinery providers to urgently conduct heightened human rights due diligence on their sales to Myanmar’s jade mining industry and to transparently act on the results. They also call on states to adopt legislation on mandatory human rights due diligence.

All three companies were offered to read the full report prior to publication and comment on the findings but none of them chose to do so.

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