



### Human Rights Violations by a Subsidiary of Honeys Holdings Co. Ltd., in Myanmar

We, the undersigned 17 organizations, express deep concern over the civil lawsuit (hereinafter “the Civil Lawsuit”) filed by Honeys Garment Industry Limited (HGIL), a Myanmar subsidiary of Honeys Holdings Co., Ltd. (hereinafter “Honeys HD”), against Daw Myo Myo Aye, a leader of the Solidarity Trade Union of Myanmar (STUM). The Civil Lawsuit demands approximately 1.8 billion kyats (approx. 130 million yen<sup>1</sup>) in damages. We call on Honeys HD and HGIL to immediately withdraw the Civil Lawsuit, which appears to be a SLAPP suit<sup>2</sup> intended to silence workers’ voices, to take appropriate steps to remedy the harm caused to her and the workers, and to implement heightened human rights due diligence in Myanmar.

#### I. Civil Lawsuit against Daw Myo Myo Aye

On 22 November 2017, HGIL filed the Civil Lawsuit. HGIL claims that Daw Myo Myo Aye “intervened and instigated illegal actions by factory workers who lacked legal understanding, leading to the destabilization and decline in production” and “guided workers through Facebook and other social network pages with flattery and motivational activities,” among other things. Specifically, HGIL claims that her statements in newspaper articles and messages shared in a social media group chat joined by factory workers caused issues such as reduced factory production and damage to the factory’s reputation. As a result, HGIL is demanding approximately 1.88 billion kyats (approx. 134 million yen) in compensation, including approx. 870 million kyats (approx. 62 million yen) for damages such as loss of orders, approx. 10 million kyats (approx. 0.7 million yen) for special security costs, and 1 billion kyats (approx. 71 million yen) for

<sup>1</sup> As of 19 December 2024, 1 JPY ≈ 14 MMK.

<sup>2</sup> A SLAPP (Strategic Lawsuit Against Public Participation) suit is a lawsuit filed with the intent to obstruct or intimidate persons making statements and actions related to the public interest, suppressing freedom of expression and legitimate activities through measures such as excessive compensation claims.

defamation of the company.<sup>3</sup> Based on the evidence submitted by HGIL, it appears they blame her newspaper interviews and social media posts for the workers' protest in June 2017, where they refused to follow the increased production quotas and continued production under the previous ones. However, she says HGIL's claims were not clearly explained during the legal proceedings, leaving many details unclear.

The background to the HGIL factory workers' protest in June 2017 is as follows. In March 2017, HGIL reportedly significantly increased the already excessive production quotas for workers, imposing unrealistic quotas. For example, one of the chat message screenshots submitted by HGIL suggests that the production quota, previously set at 400 pieces per day, was raised to 600 pieces per day in some cases.<sup>4</sup> In response, the factory workers engaged in collective negotiations with HGIL, and on 7 April 2017, the company reached an agreement with the workers to "set realistic quotas based on the workers' abilities."<sup>5</sup> However, around early June 2017, HGIL unilaterally raised the production quotas again without any agreement with the workers. Seeing this as unjust, the factory workers reportedly continued production based on the previous quotas.<sup>6</sup> HGIL seems to describe the workers' protest to continue production under the previous quotas as "illegal actions."

Yet, the collective bargaining agreement reached on 7 April 2017 is legally binding, and raising the production quotas again in violation of this agreement is both illegal and invalid. Therefore, continuing production under the previous quotas is not illegal in any way. Also, the workers' protest was reportedly peaceful, with workers wearing red scarves to demonstrate their opposition while continuing to produce according to the previous production quotas.<sup>7</sup> Therefore, HGIL's claim that this protest constitutes "illegal actions" lacks a valid basis.

Moreover, the comments that HGIL has targeted in its lawsuit as 'instigation' and defamation fall within the freedom of expression that is a fundamental part of trade union activities. Using these comments as grounds for accusations of 'instigation' or defamation undermines both the freedom of trade union activities and the freedom of expression of human rights defenders.<sup>8</sup>

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<sup>3</sup> The details of the claim are based on the complaint in Civil Case Number 86 of 2017, submitted to the Yangon Regional Court of Justice.

<sup>4</sup> This does not mean workers had to complete entire garments but rather specific parts of the clothing.

<sup>5</sup> The details of the agreement are based on the document for the mutual agreement for Case No.24 of 2017 reached at Mingaladon Township Conciliation Body.

<sup>6</sup> Worker Rights Consortium. (2021). Factory Assessment: Honeys Garment Industry Ltd. p.27.

<sup>7</sup> WRC, *supra*, note. 5, p.31.

<sup>8</sup> Freedom of expression, particularly for human rights defenders, must be protected. See Article 6 (b) of the Declaration on the Right and Responsibility of Individuals, Groups and Organs of Society to Promote and Protect Universally Recognized Human Rights and Fundamental Freedoms.

## **II. Other Human Rights Violations by HGIL**

Meanwhile, in connection with the increase in production quotas in 2017, two other significant human rights violations have been reported at HGIL factories.<sup>9</sup>

### **1. Dismissal of 448 Protesting Workers**

According to the information we have obtained, including the 2021 WRC report on human rights violations at HGIL factories, HGIL dismissed 448 workers in June 2017 who engaged in a protest against the excessive increase in production quota. However, as explained above, the workers' protest was peaceful, with workers wearing red scarves to show their opposition while continuing to work under the previous quotas, with no reports of violence or damage. Honeys HD and HGIL claim these were "not unfair dismissals." However, some workers were dismissed for not following transfer orders that seemed designed to disrupt organizing efforts. Others were labelled as having "voluntarily resigned" after being left without work assignments for three days and subsequently stopping their attendance at the factory. Given that all those dismissed were participants in the protest movement, it is evident that these actions were retaliatory measures against workers exercising their rights to organize and engage in collective bargaining.<sup>10</sup>

### **2. Criminal Complaint against Daw Myo Myo Aye**

On 29 November 2017, HGIL filed a criminal complaint against Daw Myo Myo Aye for defamation under Article 66(d) of the Telecommunications Act, separately from the Civil Lawsuit.<sup>11</sup> The case continued until after the coup but was eventually dismissed on 9 November 2021 as HGIL failed to appear in court. According to Daw Myo Myo Aye, HGIL was unable to provide any concrete evidence of defamation and could only submit the chat app messages, and the fact that HGIL eventually stopped to appear in court is thought to be due to the fact that there was no longer any prospect of her being convicted. This situation raises the concern that HGIL filed the Criminal Lawsuit as retaliation against her using Article 66(d) of the Telecommunications Act—a law often used by the military or the government to oppress dissent.<sup>12</sup>

## **III. Call for the Withdrawal of the Civil Lawsuit, Remedies, and Heightened Human Rights Due Diligence**

The UN Guiding Principles on Business and Human Rights, endorsed by the UN Human Rights Council in 2011, state that companies have a responsibility to respect human rights both within their own operations and across their value chain. Principle 23 requires companies to follow all applicable laws and respect internationally recognized human rights wherever they operate and to find ways to uphold these rights even in situations where local laws conflict with international standards. "Internationally recognized

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<sup>9</sup> In addition to the issues mentioned here, there have been reports of human rights violations at the company's factories, such as excessive overtime, low wages, and restrictions on the right to organize. Due to these risks of human rights violations at HGIL, Norway's largest pension fund, KLP, and the Norwegian Bank have decided to withdraw their investments from Honeys HD.

<sup>10</sup> WRC, supra, note 5, p.27.

<sup>11</sup> WRC, supra, note 5, p.31.

<sup>12</sup> Human Rights Watch. (2017). Burma: Letter on Section 66(d) of the Telecommunications Law. <https://www.hrw.org/news/2017/05/10/burma-letter-section-66d-telecommunications-law>

human rights” undoubtedly include freedom from forced labour and the rights to organize and engage in collective bargaining, and companies have a responsibility to respect these international standards while also complying with national laws.<sup>13</sup>

In this respect, unilaterally raising production quotas in violation of an agreement between the employer and workers and forcing workers to comply constitutes forced labour, which is prohibited under international standards, including ILO Conventions 29 and 105. Workers have the right to refuse such quotas, and peaceful protest actions organized by labour unions should be recognized as legitimate trade union activities under ILO Convention 87. Therefore, mass dismissals of workers who participated in protests violate the rights to organize and collectively bargain, as guaranteed by ILO Convention 87. Furthermore, filing a lawsuit against a trade union representative involved in the protests—demanding an enormous amount of compensation based on vague and unsubstantiated claims—not only violates the rights to freedom of association and collective bargaining but also suppresses human rights defenders by severely restricting freedom of expression.

Therefore, the actions by HGIL and its parent company, Honeys HD, clearly violate the responsibility to respect human rights outlined in the UN Guiding Principles. They also contradict the Honeys Group’s own human rights policy, which states, “We will strive to fulfill our responsibility to respect the basic human rights of all people, based on ... the ILO Declaration on Fundamental Principles and Rights at Work.”<sup>14</sup>

Furthermore, the actions of Honeys HD and HGIL are particularly concerning as they have serious adverse impacts on human rights in Myanmar, which is already facing a severe crisis following the coup.

Since the military coup on 1 February 2021, Myanmar has faced daily armed conflict, putting civilians’ lives at constant risk due to the fighting. Reports of arbitrary arrests, threats, and killings of trade union representatives have been widespread. According to an ILO report, by June 2023, at least 484 union members, labour activists, strike leaders, or participants were killed by the military.<sup>15</sup> In this extremely dangerous environment, she is being forced to appear in court on a regular basis for the Civil Lawsuit. The continuation of the trial itself puts her life and safety at serious risk.

After the coup, the rule of law and the right to a fair trial in Myanmar have effectively collapsed. In fact, in 1,648 cases involving opposition to military power between 1 April 2023, and 30 June 2024, no

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<sup>13</sup> Similarly, the Japanese Government’s “Guidelines for the Respect of Human Rights in Responsible Supply Chains,” published in September 2022, specify these same responsibilities.

<sup>14</sup> <https://www.honeys.co.jp/cms/sustainability/pdf/social01.pdf>

<sup>15</sup> International Labour Organization. (2023). *Towards Freedom and Dignity in Myanmar*. paras. 395-415, 536-549.

examples of acquittals or successful appeals were reported.<sup>16</sup> In Myanmar’s current extraordinary judicial circumstances, there is no assurance that fair and impartial judicial decisions can be achieved. If she is ordered to pay damages and cannot comply, she could face up to six months of detention under Myanmar’s “civil prison” system, which is used to enforce payment obligations.<sup>17</sup> A UN report highlights that many detainees after the coup have been held in extremely poor conditions, with some reportedly dying in custody. Civil sentences in this context are directly tied to serious human rights violations.<sup>18</sup>

The UN Working Group on Business and Human Rights urges companies to carry out heightened human rights due diligence in situations of armed conflict, where the risk of being involved in serious human rights violations is especially high.<sup>19</sup> Honeys HD and HGIL have failed to properly assess the serious human rights risks in Myanmar’s current situation and take appropriate action. They are not meeting their responsibilities as companies operating in a conflict-affected area.

The undersigned organizations have concluded that HGIL’s claim for damages has no valid basis. However, in Myanmar’s current situation, there is a serious risk that the court could still rule in favour of HGIL’s compensation claim, even without sufficient evidence, leading to extremely harmful consequences. As long as this civil lawsuit continues, Daw Myo Myo Aye faces ongoing risks of violence and arrest. This not only endangers her safety but also further undermines civil liberties and trade union movements, which are already difficult to exercise. It also has a significant adverse impact on workers who are already facing severe hardships following the coup.

We strongly call on HGIL and its parent company, Honeys HD, to take the following actions, in accordance with the Guiding Principles and their group human rights policy:

1. Immediately withdraw the Civil Lawsuit.
2. Provide appropriate remedies for the violations against Daw Myo Myo Aye and the workers.
3. Implement heightened human rights due diligence to address human rights risks in Myanmar.

Signatories:

Action Labor Rights

All Burma Federation of Trade Unions

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<sup>16</sup> Human Rights Council, Situation of Human Rights in Myanmar: Report of the United Nations High Commissioner for Human Rights, UN Doc. A/HRC/57/56, 4 September 2024.

<sup>17</sup> Myanmar Code of Civil Procedure, Sections 55-59; The civil prison system in Myanmar raises concerns about a potential violation of Article 11 of the International Covenant on Civil and Political Rights, which states, “no one shall be imprisoned merely on the ground of inability to fulfil a contractual obligation.”

<sup>18</sup> HRC, supra, note 15.

<sup>19</sup> General Assembly, Report on Business, Human Right and Conflict-Affected Regions: Towards Heightened Action, UN Doc. A/75/212, 21 July 2020; UNDP. (2022). Heightened Human Rights Due Diligence for Business in Conflict-Affected Contexts: A Guide; The Japanese Government’s Guidelines (4.1.2.4)

Asia Pacific Forum on Women, Law and Development  
Center for Trade Union and Human Rights  
Clean Clothes Campaign East Asia Coalition  
Federation of Workers' Union of the Burmese Citizen in Japan  
FEMNET  
Forum Asia  
Foundation for Education and Development  
Future Light Center  
Human Rights Now  
Korean House for International Solidarity  
Labour Behind the Label  
MAP Foundation of Thailand  
No Sweat  
Pacific Asia Resource Center  
Schone Kleren Campagne

Supporting organization :

FoE Japan  
Mekong Watch