20 October 2014

Business & Human Rights Resource Centre  
1-3 Charlotte Street, Third Floor  
London, W1T 1RD  
United Kingdom

Dear Business & Human Rights Resources Centre

Thank you for giving ANZ the opportunity to respond to concerns raised by the NGOs Inclusive Development International and Equitable Cambodia regarding ANZ and its former customer, the Phnom Penh Sugar Company.

We confirm that ANZ has received a copy of the complaint submitted by Inclusive Development International and Equitable Cambodia to the Australian National Contact Point (ANCP) for the OECD Guidelines for Multinational Enterprises. It would not be appropriate to comment on the complaint whilst this is being assessed by the ANCP; however we can confirm that ANZ will cooperate with and assist the ANCP with its enquiries.

In the meantime, we have outlined below our approach to responsible business lending and an update on our response to issues raised with ANZ regarding Phnom Penh Sugar Company.

**Our approach to responsible business lending in Asia and the Pacific**

We finance some socially and environmentally sensitive industries, and our increasing presence in Asia and the Pacific means doing business in some countries with developing legal and governance frameworks.

Our aim is to make balanced, informed and transparent decisions and work with our customers to help them improve their management of business, social and environment risks.

This approach is supported by policies and guidelines, screening tools and resources, and employee training and education. Our approach, and the decisions that we make are whenever possible informed by stakeholder engagement.

**ANZ’s approach to human rights**

In 2010 ANZ published “Respecting people and communities: ANZ’s approach to human rights”, which is a set of standards that guide how we interact and promote a culture of respect with employees, customers and communities.

Our standards complement our support for the UN Global Compact, OECD Guidelines for Multinational Enterprises and our application of the Equator Principles to all project finance transactions. They also articulate our commitment to support our customers’ performance in protecting and promoting human rights, and for us to consider human rights impacts when evaluating prospective clients.
Our human rights standards are embedded in our client screening tools, our “sensitive sector” lending policies and training initiatives that support and guide our business lending decisions. Social and environmental risk training is mandatory for all relevant International and Institutional employees who have approval to make credit decisions. The training includes a module designed to improve understanding and application of our human rights standards in decision making.

**ANZ policies consider our customers’ social and environmental impacts**

ANZ’s “sensitive sector” policies ensure social and environmental considerations are incorporated into our financing and lending decisions. We have six sensitive sector policies for the energy, extractives, forests and forestry, hydropower, military equipment and water sectors. Through these policies, we aim to support customers who:

- demonstrate a balanced approach to the social, environmental and developmental impacts of their business; and
- adopt internationally accepted industry management practices to manage social, environmental and economic impacts (including affects on human rights, biodiversity, cultural heritage, indigenous rights, health and safety, and governance).

**Phnom Penh Sugar Company**

Phnom Penh Sugar Company has not been a customer of ANZ since July 2014 when it decided to repay its loan. Prior to the company’s decision, ANZ had encouraged and supported Phnom Penh Sugar Company to put in place a detailed action plan to improve its performance in addressing its social and environmental issues. We believe Phnom Penh Sugar Company has and is continuing to take action to address some of these issues, including meeting with community representatives in an attempt to resolve matters relating to land and resettlement from land.

ANZ respects and understands the concerns of some of the members of the Thpong and Aoral district communities. ANZ has met with representatives of these communities on a number of occasions, and recently wrote to these community representatives. We have **enclosed** the letter in both English and a Khmer translation. We have explained to these representatives that our aim is to do what is within our influence, to encourage other organisations that have a much greater ability to bring about a resolution to the communities’ concerns than ANZ.

We also believe that it is important to note that ANZ financed part of the factory construction for Phnom Penh Sugar Company. ANZ did not finance the acquisition of concession land nor did we finance the plantation.

Despite the company’s decision to repay its loan, and the limitations it presents to us, we have been working to encourage the resolution of issues raised by NGOs and representatives of the Thpong and Aoral district communities. This has included:

- Remaining in contact with the Cambodian Government and European Union officials on the issue.
- Offering ANZ’s support to the Ad Hoc Committee on the issues faced by those displaced by sugar plantations. The Committee is made up representatives from the European Union, the Ministry of Commerce, provincial administrations and the sugar industry and its inquiry has been welcomed by some prominent NGOs.

Ultimately, the core of this dispute relates to land and resettlement from land. These are issues that can only be resolved by Phnom Penh Sugar Company and the Cambodian government, through the Government’s Ad Hoc Committee forum.
ANZ will continue to meet with community representatives and NGOs to understand the issues and to explain the steps we are taking to assist in seeking a resolution.

Yours sincerely

Ben Walker
Head of Sustainable Development

Encl  Letter to community representatives
Letter to the Communities

Dear Representatives of the community,

Thank you for your letter of 1 August and for the opportunities ANZ Royal management has had to meet with the representatives of the Thpong and Aoral district communities including the recent meeting on 14 August.

Let me say that we understand and respect the concerns of the members of the community you represent.

Our aim is to do what is within our influence, to encourage other organisations that have a much greater ability to bring about a resolution to your communities’ problems than ANZ.

Phnom Penh Sugar has not been a customer of ANZ since July when it decided to repay its loan.

Despite this and the limitations it presents, we have been working to assist in the resolution of your issues. This has included:

- Remaining in contact with the Cambodian government and European Union officials on the issue.

- Offering ANZ Royal’s support to the Ad Hoc Committee on the issues faced by those displaced by sugar plantations. The Committee is made up representatives from the European Union, the Ministry of Commerce, provincial administrations and the sugar industry and its inquiry has been welcomed by some prominent NGOs.

- Until July, ANZ had encouraged and supported Phnom Penh Sugar to put in place a detailed action plan to improve its performance in addressing its social and environmental issues. We are informed Phnom Penh Sugar has and is continuing to take action to address some of these issues.

Ultimately, the core of your dispute relates to land and resettlement from land. These are issues that can only be resolved by Phnom Penh Sugar and the Cambodian government, through the Government’s Ad Hoc Committee forum.

We believe that it is important for the community to understand:
• ANZ financed part of the factory construction for Phnom Penh Sugar. ANZ did not finance the acquisition of concession land nor did we finance the plantation.

• ANZ does not and has never had a banking relationship with Kampong Speu Sugar Company.

We would be happy to continue to meet with you to discuss these issues.

Ben Walker
On behalf of ANZ Banking Group Limited
នេះគឺជាអំណីអំណីរបស់ ANZ ផ្នែកការណ៍គ្រប់គ្រងរបស់នាយកដែលបានបង្កើតឡើង ដោយប្រកួតប្រជុះរបស់អ្នកទាំងអស់ប្រការរបស់នាយកដែលបានបង្កើតឡើង

នេះគឺជាអំណីអំណីរបស់ ANZ ផ្នែកការណ៍គ្រប់គ្រងរបស់នាយកដែលបានបង្កើតឡើង ដោយប្រកួតប្រជុះរបស់អ្នកទាំងអស់ប្រការរបស់នាយកដែលបានបង្កើតឡើង
ប្រការប្រសិនបើអតិថិជនដើម្បីបង្កើតអស្បៈជ័យរាជធានីស្នើសុំអំណាចមកពីកុមារណ៍ និងការបោៈការចុះហោរ ឬកុមារការប្រការប្រសិនបើអតិថិជនដើម្បីបង្កើតអស្បៈជ័យរាជធានីស្នើសុំអំណាចមកពីកុមារណ៍ និងការបោៈការចុះហោរ ឬកុមារ

យើងបានប្រការប្រសិនដើម្បីអនុវត្តន៍ការប្រការប្រសិនបើអតិថិជនដើម្បីបង្កើតអស្បៈជ័យរាជធានីស្នើសុំអំណាចមកពីកុមារណ៍ និងការបោៈការចុះហោរ ឬកុមារ

• រាជការ ANZ ឈ្នះការលើបញ្ហាមួយឬអនុម័តរបស់អតិថិជនពេញមេរពេញអំន្ទរបន្ទាត់ពីការប្រការប្រសិនពីកុមារណ៍ និងការបោៈការចុះហោរ ឬកុមារ និងរាជការ ANZ និងអតិថិជនពេញមេរពេញអំន្ទរបន្ទាត់ពីការប្រការប្រសិនពីកុមារណ៍ និងការបោៈការចុះហោរ ឬកុមារ

• រាជការ ANZ និងអតិថិជន អនុវត្តន៍ការប្រការប្រសិនពីកុមារណ៍ និងការបោៈការចុះហោរ ឬកុមារ និងរាជការ ANZ និងអតិថិជន អនុវត្តន៍ការប្រការប្រសិនពីកុមារណ៍ និងការបោៈការចុះហោរ ឬកុមារ

នរណាជាដ៏ជោគជំនុំទៅអំពីការជួយអតិថិជនដើម្បីបង្កើតអស្បៈជ័យរាជធានីស្នើសុំអំណាចមកពីកុមារណ៍ និងការបោៈការចុះហោរ ឬកុមារ និងរាជការ ANZ និងអតិថិជន អនុវត្តន៍ការប្រការប្រសិនពីកុមារណ៍ និងការបោៈការចុះហោរ ឬកុមារ និងរាជការ ANZ និងអតិថិជន អនុវត្តន៍ការប្រការប្រសិនពីកុមារណ៍ និងការបោៈការចុះហោរ ឬកុមារ

ជំនាញ និងជំនួយដ៏ល្អសម្រាប់អតិថិជនក្នុងការបង្កើតអស្បៈជ័យរាជធានីស្នើសុំអំណាចមកពីកុមារណ៍ និងការបោៈការចុះហោរ ឬកុមារ និងរាជការ ANZ និងអតិថិជន អនុវត្តន៍ការប្រការប្រសិនពីកុមារណ៍ និងការបោៈការចុះហោរ ឬកុមារ

រាជការ ANZ

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