



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 wherever 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.

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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.

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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

A handwritten signature in blue ink, appearing to read 'Ben Walker', written over a light blue horizontal line.

**Ben Walker**  
Head of Sustainable Development

**Encl** Letter to community representatives

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## 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 of 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.

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Ben Walker  
On behalf of ANZ Banking Group Limited

**លិខិតឆ្លើយតបរបស់ធនាគារ ANZ ជូនចំពោះសហគមន៍**

**ជូនចំពោះតំណាងសហគមន៍**

យើងខ្ញុំសូមថ្លែងអំណរគុណចំពោះលិខិតរបស់សហគមន៍ចុះថ្ងៃទី១ ខែសីហា និងឱកាសដែលបានផ្តល់ឱ្យថ្នាក់ដឹកនាំធនាគារបានជួបប្រជុំជាមួយអ្នកតំណាងសហគមន៍របស់ស្រុកថ្ពង និងស្រុកឱរ៉ាល់ ព្រមទាំងកិច្ចប្រជុំកាលពី ថ្ងៃទី១៤ ខែសីហា កន្លងមកនេះ ។

ខ្ញុំសូមជម្រាបជូនជាខាងធនាគារយើងខ្ញុំ បានដឹង និងគោរពនូវរាល់កិច្ចការរបស់សមាជិកសហគមន៍ដែលពោកអ្នកតំណាងឱ្យ។

គោលដៅរបស់យើងខ្ញុំ គឺបំពេញនូវកិច្ចការដែលស្ថិតក្នុងរង្វង់សមត្ថកិច្ចរបស់ធនាគារ សំដៅជម្រុញស្ថាប័នផ្សេងទៀតដែលមានសមត្ថភាពច្រើនជាងធនាគារ ANZ ក្នុងការជួយរកដំណោះស្រាយចំពោះបញ្ហាទាំងឡាយរបស់សហគមន៍ពោកអ្នក ។

ធនាគារយើងខ្ញុំសូមជម្រាបថា ក្រុមហ៊ុនភ្នំពេញស្វីហ្គើរលែងជាអតិថិជនរបស់ធនាគារ ANZ ចាប់តាំងពីខែកក្កដាមកម្ល៉េះនៅពេលដែលក្រុមហ៊ុនបានសម្រេចសងនូវកម្ចីទាំងស្រុង។

ទោះបីជាប្រការខាងលើបានវិភាគនូវសិទ្ធិរបស់ធនាគារច្រើនយ៉ាងណាក្តី ធនាគារយើងខ្ញុំបានខិតខំជួយដល់សហគមន៍ក្នុងការរកដំណោះស្រាយលើបញ្ហាទាំងនេះ តាមរយៈកិច្ចការមួយចំនួនដូចជា៖

- បន្តមានទំនាក់ទំនងជាមួយរាជរដ្ឋាភិបាលកម្ពុជា និងមន្ត្រីសហគមន៍អឺរ៉ុបលើករណីនេះ។
- ផ្តល់ការគាំទ្ររបស់ធនាគារ អេ អិន ហ្វេត រ៉ូយ៉ាល់ ដល់គណៈកម្មាធិការអាជ្ញាធរស្តីពីបញ្ហាទាំងឡាយដែលពាក់ព័ន្ធនឹងជំណាស្តរ ។ គណៈកម្មាធិការនេះត្រូវបានបង្កើតឡើងដោយមានការចូលរួមពីតំណាងសហគមន៍អឺរ៉ុប តំណាងក្រសួងពាណិជ្ជកម្ម រដ្ឋបាលខេត្ត និងរាល់ក្រុមហ៊ុនក្នុងវិស័យស្តរ ហើយការសួរនាំដែលធ្វើឡើងដោយគណៈកម្មាធិការនេះទទួលបានការស្នាដៃសំណាក់បណ្តាអង្គការក្រៅរដ្ឋាភិបាលសំខាន់ៗមួយចំនួន។
- រហូតដល់ខែ កក្កដាកន្លងមកនេះ ធនាគារ ANZ បានជម្រុញ និងគាំទ្រដល់ក្រុមហ៊ុនភ្នំពេញស្វីហ្គើរ ក្នុងការដាក់ឱ្យដំណើរការនូវផែនការសកម្មភាពលម្អិតសំដៅពង្រឹងការអនុវត្តតួនាទីរបស់ក្រុមហ៊ុនលើការងារសង្គមកិច្ច និងបរិស្ថាន។ ក្រុមហ៊ុនភ្នំពេញស្វីហ្គើរបានឱ្យធនាគារយើងខ្ញុំដឹងថា ខាងក្រុមហ៊ុនបាននឹងកំពុងចាត់វិធានការដើម្បីដោះស្រាយបញ្ហាមួយចំនួនដែលពាក់ព័ន្ធ។

បញ្ជាក់បងក្នុងវិវាទរបស់លោកអ្នក គឺជាប់ទាក់ទងទៅនឹងការងារដីធ្លី និងដំណោះស្រាយដីធ្លី ។ ចំពោះបញ្ហាទាំងនេះ មានតែក្រុមហ៊ុនក្នុងពេញស្តីប្តី និងអាជីវកម្មក្នុងប្រទេស ដែលអាចស្វែងរកដំណោះស្រាយបានតាមរយៈវេទិកា នៃគណៈកម្មាធិការអាជ្ញាធរសម្រាប់ភ្នាក់ងារខាងលើនេះ ។

ធនាគារយើងខ្ញុំ យល់ឃើញថា វាជាកត្តាចាំបាច់ដែលខាងសហគមន៍ត្រូវទទួលបានជ្រាបថា:

- ធនាគារ ANZ ផ្តល់ហិរញ្ញប្បទានតែទៅលើផ្នែកមួយសម្រាប់ ការងារសាងសង់រោងចក្ររបស់ក្រុមហ៊ុនក្នុងពេញ ស្តីប្តីប៉ុណ្ណោះ ។ ធនាគារ ANZ មិនបានផ្តល់ហិរញ្ញប្បទានសម្រាប់ការទទួលបានដីសម្បទាន ឬសម្រាប់ការងារ ដំណាក់កាលដទៃទៀត ។
- ធនាគារ ANZ មិនមាន ហើយក៏មិនធ្លាប់មានទំនាក់ទំនងសេវាធនាគារណាមួយជាមួយក្រុមហ៊ុនកំពង់ស្ពឺស្តីប្តី ឡើយ ។

ធនាគារយើងខ្ញុំមានកិសោធន៍ស្តីពីការយល់ច្រឡំជាមួយលោកអ្នកដើម្បីពិភាក្សាលើបញ្ហាទាំងនេះបន្ថែមទៀត ។



**លោក Ben Walker**

ក្នុងនាម Australia and New Zealand Banking Group Limited