



អង្គការ សមធម៌កម្ពុជា
equitable cambodia



inclusive development international

Mr. David Pred
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Mr. Shayne Elliott
Chief Executive Officer
ANZ
10/833 Collins St
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Australia
via electronic mail

March 11, 2016

Re: ANZ human rights standards review and the Phnom Penh Sugar deal

Dear Mr. Elliott,

Congratulations on your new position as CEO of ANZ.

We are the directors of two human rights organizations, Inclusive Development International and Equitable Cambodia. Inclusive Development International is a U.S.-based non-profit organization that supports affected communities to defend their land, housing and property rights in the face of harmful development and investment projects. Equitable Cambodia works to promote equitable development and the progressive realization of human rights in Cambodia.

Since 2010, we have worked to support more than 1,500 farming families in Kampong Speu, Cambodia, who were forcibly displaced and dispossessed of their land, crops and in many cases homes, to make way for a sugar plantation and refinery owned by ANZ's former client, Phnom Penh Sugar. Some six years later, the vast majority of affected families remain uncompensated for their losses and in a desperate situation.

The forced evictions and risk of further land seizures by Phnom Penh Sugar were widely reported in the English-language media in Cambodia prior to and around the time ANZ was considering financing Phnom Penh Sugar. ANZ must have known or should have known about the severe human rights violations and breaches of Cambodian law to which it would be contributing when it loaned \$40 million to Phnom Penh Sugar, yet it failed to attach any social or environmental safeguard requirements to its loan agreement.

While ANZ ultimately ended its relationship with Phnom Penh Sugar after it was publicly exposed, ANZ has done nothing to remedy its own contribution to these violations during the four years that it financed Phnom Penh Sugar. We have repeatedly called on ANZ to divest itself of the profits earned from its loan to Phnom Penh Sugar and contribute those

funds to efforts to support the displaced families. To date, ANZ has refused to provide any measure of redress to the victims.

We write to you at this time because ANZ is undergoing a review of its human rights standards “*Respecting People and Communities*.” Our organizations were invited to participate in stakeholder discussions as part of the review. However, despite this being an area of expertise and deep concern for our organizations, we have decided not to participate because we have little faith in ANZ’s commitment to human rights.

The United Nations Guiding Principles on Business and Human Rights has affirmed the corporate responsibility to respect human rights. The United Nations Office of the High Commissioner for Human Rights (UN-OHCHR) and the Investment Division of the OECD Directorate for Financial and Enterprise Affairs provide authoritative guidance on what this responsibility entails for financial institutions, such as ANZ, in contexts analogous to the Cambodia-PPS case. The [UN-OHCHR](#) explains that financing contributes to human rights violations when, for example, “financing is provided for a project that will result in widespread displacement of local communities, without safeguards in place.” The [OECD](#) Directorate provides an example of a bank contributing to a human rights violation when “the bank lends money to a company to construct a large processing plant to be built on a community land that results in the displacement of affected populations without meaningful stakeholder engagement.” The OECD Directorate explains that an enterprise that contributes to a human rights violation “should provide or contribute to a remedy.”

In light of ANZ’s continued refusal to accept and apply these basic principles, we have little reason to believe that ANZ’s human rights standards, and the current review of those standards, are anything more than a public relations exercise.

We bring this to your attention because we believe that by advertising its commitment to human rights standards, while refusing to give effect to this commitment for the Cambodian families who are suffering right now as a result of business activities from which ANZ profited, ANZ is misleading the Australian public.

We hope that under your new leadership, ANZ will change course and demonstrate that it takes its human rights responsibilities seriously by contributing to redress for the families in Kampong Speu. We remain ready to facilitate a practical resolution that helps the displaced families to get back on their feet.

Yours Sincerely,



David Pred
Managing Director
Inclusive Development International



Eang Vuthy
Executive Director
Equitable Cambodia