

ANZ Declines to ‘Do the Right Thing’ for Displaced Cambodian Farmers

STATEMENT BY INCLUSIVE DEVELOPMENT INTERNATIONAL AND EQUITABLE CAMBODIA FOR THE ANZ BANKING GROUP ANNUAL GENERAL MEETING

(December 18, 2018) - ANZ Banking Group violated its own policies and international human rights standards by financing a Cambodian sugar company that seized land from local farmers, according to [a report](#) released by an Australian government body that monitors corporate behavior overseas. In a rare rebuke of a commercial bank, the Australian National Contact Point (AusNCP) found it “difficult to reconcile” ANZ’s decision to finance Phnom Penh Sugar with the bank’s internal rules and the [OECD Guidelines](#), an ethical business code that the Australian government has endorsed.

Despite CEO Shayne Elliott’s comments to an Australian Parliamentary Standing Committee in response to the report that the bank should [do the right the thing](#), **ANZ has decided to keep the profits it earned from the human rights violations in Cambodia, deprive the victims of badly needed redress, and continue to mislead the public about the situation.**

In 2011, ANZ provided a \$40 million loan to Phnom Penh Sugar, which had forcibly displaced hundreds of local farming families and employed school-aged children in dangerous conditions at its sugarcane plantation in southern Cambodia. The human rights risks of doing business with the sugar company “would likely have been readily apparent” to ANZ, according to the findings. English-language media had regularly reported on the company’s role in land seizures and forced evictions prior to the loan.

Below are four misleading statements made by Shayne Elliott in [a letter](#) to interested stakeholders justifying the decision not to provide redress:

1. Shayne Elliott wrongly claims that the AusNCP report “confirms that ANZ did not fund PPS’ acquisition of land or plantation development, which is at the core of ‘land grab’ claims for compensation.”

AusNCP confirms no such thing. ANZ never supplied any evidence that its loan to PPS was ring-fenced for the refinery. ANZ merely made this assertion and the AusNCP took it on face value and did not in any way suggest that this somehow mitigated the bank’s responsibility. ANZ is evidently seeking to mislead the public about this distinction. Even if ANZ’s claims are true, the plantation and refinery are two components of a single interdependent project that caused the illegal forced evictions of Cambodian farming families, along with a raft of other human rights violations.

2. Shayne Elliott wrongly claims that the AusNCP report “confirms that PPS was not a customer of the bank at the time it acquired land for the plantation development.”

ANZ is seeking to mislead stakeholders with this statement. What AusNCP actually confirmed is that at the time ANZ approved the loan to PPS there were regular media reports about land conflicts and illegal forced evictions carried out by PPS. The AusNCP states (para 37-38):

“...there was publicly available information at the time (in 2010) that suggested the existence of risks associated with ANZ’s former client and its project – including the well publicised dispute between PPS and the affected community at around the time that ANZ commenced financing the sugar refinery and factory. For instance, villagers were protesting against the project early in 2010... When its human rights standards were applied to ANZ’s commercial relationship with its former client PPS, it is arguable that most (if not all) of them would not be satisfactorily met.”

Indeed, **forced evictions and ongoing human rights violations, including child labour and worker deaths, continued while PPS was a client of ANZ, and ANZ was well aware of this.**

3. Shayne Elliott wrongly claims that the European Union (EU) is involved in a process to attempt to resolve the matter and that this is a viable option available to the claimants to obtain redress.

Despite our repeated communications to ANZ that this is untrue, the bank continues to hide behind this false information. In fact, the EU has taken the unprecedented step of triggering a formal process to withdraw Cambodia’s

preferential tariff status because of the government's failure to address land conflicts among other rights violations.

ANZ is not only misleading the public, but also giving credence to the claims of a corrupt, authoritarian government about a sham remediation process.

The government-led process to which ANZ refers is beset by intimidation with take-it-or-leave-it offers to a small fraction of affected households of US\$300 for land and property stolen from them. The vast majority of people affected by sugarcane land grabs across Cambodia have been excluded from the government process. Shayne Elliott's assertion that "settlements have been reached with farmers in three of four affected provinces" is simply not true.

4. Shayne Elliott claims that ANZ has committed to 'zero tolerance' for improper land acquisition and has made significant changes to seek to improve its human rights due diligence and commitments, but recent major corporate loan deals show otherwise.

Here are five other recent cases in which ANZ has financed companies implicated in land grabbing and other serious human rights violations:

- In October 2018, ANZ arranged and co-financed a \$1.4 billion revolving credit facility for AngloGold Ashanti, a South African gold mining company that colluded with security forces to violently and unlawfully seize land from hundreds of artisanal mining families in the West African country of Guinea to make way for an open-pit gold mine. Inclusive Development International supported the families - who have been deprived of their access to water, health care, education and livelihoods at a woefully inadequate resettlement site – to file a [complaint](#) against AngloGold Ashanti with the IFC's Compliance Advisor Ombudsman in 2017.
- In June 2018, ANZ co-financed a \$500 million revolving credit facility to Itochu, a Japanese trading company that sources commodities from numerous companies involved in illegal land grabs, human rights abuses and deforestation in the pulp and paper, timber, palm oil and natural rubber industries.
- In March 2018, ANZ arranged and co-financed \$500 million revolving credit facility for Olam, a Singaporean food and agriculture company whose palm oil and rubber plantations in Gabon are [alleged](#) to have resulted in land grabs and destruction of rivers and primary rainforests.
- In March 2018, ANZ arranged and co-financed a \$7.3 billion revolving credit facility for the notorious Swiss mining giant Glencore, which has been accused of [corruption](#) and widespread [environmental destruction and human rights](#)

abuses, including profiting from child labor and complicity in the killings of indigenous community activists and protesters in numerous countries where it operates in Africa, Asia and Latin America.

- In September 2017, ANZ arranged and co-financed a \$250 million revolving credit facility for Astra Agro Lestari, an Indonesian palm oil company described by Friends of the Earth at one of the industry's "most irresponsible actors," and which has allegedly grabbed indigenous land and threatened endangered species.

For more information, see:

<https://www.inclusivedevelopment.net/anz-issued-rare-rebuke-by-australian-oversight-body/>