

PFZW  
Jan Willem van Oostveen

## Divestment palmoil company AAL

25 October 2022

Dear Jan Willem van Oostveen

We are writing to you concerning adverse impacts in Astra Agro Lestari (AAL) oil palm plantations in Central and West Sulawesi, Indonesia. We have informed PFZW before about AAL's practices, amongst others in [July 2018](#), [October 2019](#), [January 2022](#) and [March 2022](#). According to the most recent overviews of PFZW's investments in stocklisted shares and in corporate bonds published on your website, you are still connected to the company by owning shares in AAL, Astra International and/or Jardine Holdings. We urge you to responsibly divest from AAL, its parent and subsidiary companies. The Norway Government Pension Fund Global has Astra International on their observation list [since 2015 because of severe environmental damage](#).

If our information about your financial connection to AAL is incorrect or outdated, then please let us know.

AAL is Indonesia's second largest palm oil company and supplies Crude Palm Oil (CPO) through its mills to various consumer companies. Last weeks, five of the world's largest consumer goods companies - Colgate-Palmolive, Hershey's, Protect & Gamble, l'Oreal and Nestlé - [suspended](#) their business with AAL over ongoing human rights abuses, land grabbing and environmental destruction in Indonesia.

These suspensions came after [an open letter](#) by Indigenous and civil society groups, calling out the following severe social and environmental impacts:

- Since 2017, Walhi/Friends of the Earth Indonesia documented at least 10 cases of criminalisation of Indigenous farmers and local communities' members by AAL.
- Since PT Mamuang commenced palm oil operations in 1991, the company has been involved in protracted land conflicts with local communities, accused of forcibly taking communities' land with their Free, Prior, Informed Consent (FPIC), criminalising farmers and land and environmental defenders, and illegally occupying Indonesia's Protected Forest Zone.
- In March this year, Friends of the Earth published [a report](#) that documented how AAL and its subsidiaries are responsible for numerous environmental, human rights, and governance violations, including protracted lands conflicts with local communities, violent land-grabbing abetted by Indonesian security forces, and illegal deforestation, forest encroachment, and soil, air and water pollution with negative impacts to communities' livelihoods.

As the five consumer good companies set the example, we are now urging PFZW to follow suit by **immediately divesting from AAL, its parent companies Astra International and Jardine Holdings, and AAL's subsidiaries**. PFZW should ensure to divest in a responsible manner in line with the OECD Guidelines and UN Guiding Principles on Business and Human Rights, contribute to

remedy for the victims and mitigate any adverse impacts of the termination of your financial relationship. This means that your organisation should make sure that AAL fully understands that retaliation against community leaders and farmers will not be tolerated, and that there should be no further violations of communities' rights who are defending their land.

At your earliest convenience, please notify us of the actions that you will be taking regarding these severe social and environmental issues.

Thank you in advance for your consideration,

Kind regards,

Jonas Hulsens  
Milieudefensie