

Joint Press Statement

ELSAM – Fransiscans International – Sitas Desa – Aryo Blitar Farmers Association (PPAB) –  
TuK Indonesia – Consortium of Agrarian Reform (KPA) – AURIGA

**Holcim Ltd Must Be Responsible for the Acquisition of the Rights to Cultivate of the  
People of Ringinrejo**

Jakarta-Geneva, 19/03 – Today, the civil societies, that have supported the people of Ringinrejo, Wates, Blitar, East Java to fight for their rights to cultivate their lands, are filing a complaint to the Swiss National Contact Point as PT. Holcim Indonesia, a part of Holcim Ltd Group from Switzerland, that is directly causing adverse human rights impact to the local communities through their operations.

The complaint that we are submitting is part of the available grievance mechanism provided within the OECD Guidelines for Multinational Enterprises (OECD Guidelines for MNE's). This is an obligatory guidelines from the member states of the OECD to be implemented wherever they operate.

Blitar, with a total land area of ± 724,23 Hectares that is cultivated with maize, cassava, watermelon by ± 826 Households in the village of Ringinrejo, has been the source of livelihoods of the people for over 19 (nineteen) years, which is now threatened to be evicted. This is due to the designation of the land to become forest area by the Ministry of Forestry of the Republic of Indonesia. The land that have been cultivated by the people was bought by PT. Holcim Indonesia as a compensation land (that would be transformed into forest area) as an exchange for the forest areas used in Tuban for mining and a cement factory, without the people knowing.

The designation of the cultivated land by the people of Ringinrejo, to be transformed into forest areas, was done in a manipulative way. Holcim did not consider the people that cultivated the land for over 19 years, they even offered compensations to the people who are not affected by it, instead of the people of Ringinrejo who are directly impacted by the designation. Other than that, based on the Indonesian Law, the designation of forest areas from compensation lands, as done by Holcim in Blitar, violates the law of the Ministry of Forest because the requirements for compensation land (the land that Holcim gave to be transformed into forest areas) must be clear and clean by *de facto* and *de jure*.

The violations done by PT. Holcim Indonesia Tbk. (Holcim Ltd. Group) in giving compensation land to the Ministry of Forestry are as follows:

- 1. The land compensation for the corporation activities has violated Indonesian laws.** The Ministry of Forestry Regulations No. P.18/Permenhut-II/2011 and No. P.14/Menhut-II/2013 on Guidelines of Forest Lease. According to Article 16 (3) a of P.14/Menhut-II/2013, the lease holder is obliged to provide compensation land with no problems pertaining to objective conditions (*de facto*) and problems pertaining to legal status (*de jure*). However, according to the facts, there are ±826 households are still cultivating the land as a source of livelihoods for over 19 years.
- 2. The company has engaged in deliberations, but not with legitimate community members.** PT. Semen Dwima Agung/PT. Holcim Indonesia Tbk. had engaged in deliberations with tenants of the land to be designated as compensation land, but the tenants did not have the legitimacy to represent the interests of the people of Ringinrejo. In reality, in order to meet the *clear and clean* requirement regarding the land, PT. Semen Dwima Agung/PT. Holcim Indonesia Tbk. has conducted negotiations or deliberations with farmers who do not come from the village of Ringinrejo, which is the closest location to the land. Instead, they negotiated with tenants of an area located near Jolosutro beach (to the south of Ringinrejo). The land is cultivated by farmers coming from Sumberoto, Regency of Malang; villages of Wates and Sumber Harum, district of Wates, Regency of Blitar. It can thus be concluded that PT. Semen Dwima Agung/PT. Holcim Indonesia Tbk. has negotiated with a party who does not experience the impact of the compensation process of PT. Semen Dwima Agung/PT. Holcim Indonesia Tbk.
- 3. The joint statement or agreement was not made transparently.** In the process of negotiations to release the compensation land from the people of Ringinrejo, a

Committee for Land Acquisition was formed, with the end result of a collective agreement (Joint Statement) stating that the villagers of Ringinrejo agrees to receive compensation with a land measuring 40 hectares from PT. Semen Dwima Agung/PT. Holcim Indonesia Tbk. in 2008. However, in obtaining signatures to the Joint Statement, the Committee for Land Acquisition did not provide transparent information and mechanisms to the people of Ringinrejo regarding the contents of the Joint Statement.

The measures taken by Holcim in Blitar are against their obligations regarding the chapter of human rights of the OECD Guidelines; they are against the concept and principles that must be implemented by companies wherever they operate, which is in Chapter I number 2, where companies must follow the national regulations. Moreover, there is another form of violations to the article number 14 of the Chapter II General Policies, which states that companies must engage with relevant stakeholders in order to provide meaningful opportunities for their views to be taken into account in relation to planning and decision making for projects or other activities that may significantly impact local communities.

Through writing this complaint letter to the National Contact Point (NCP) in Switzerland, we, the civil society organizations, assissting the people of Ringinrejo, hope that the NCP consider the issue between the Ringinrejo community and PT. Holcim Indonesia (Holcim Ltd. Group), and through NCP facilitation, can find a resolution to the problem, namely that: PT. Holcim Indonesia Tbk. finds a compensation land that does not violate the rights of the people of Ringinrejo village; or a final agreement is reached between PT. Holcim Indonesia Tbk. and the people of Ringinrejo village through effective deliberations; as to completely redress the impacts of the harm felt by the people.

Jakarta-Geneva, March 19, 2015