AMICUS CURIAE

(Friend of the Court)

For the consideration of the panel of judges examining the Lawsuit for Unlawful Acts with Case No: 1186/Pdt.G/2024/PN JKT.SEL

At the South Jakarta District Court

Submitted by:
Trend Asia
June 18, 2025

BETWEEN

ASSOCIATION FOR TRANSFORMATION FOR JUSTICE INDONESIA	**PLAINTIFF I**
AHMAD SH	**PLAINTIFF II**
HERNI RAMDLANINGRUM	**PLAINTIFF III**
HARVINA NURUL FATIMAH	**PLAINTIFF IV**

AGAINST

PT BANK MANDIRI (PERSERO) TBK	**DEFENDANT I**
PT ASTRA AGRO LESTARI TB	**DEFENDANT II**
PT AGRO NUSA ABADI	**DEFENDANT III**

I. AMICI IDENTITY

1. Trend Asia is an Independent Civil Society Organization that acts as an accelerator of energy transformation and sustainable development in Asia.

2. That Trend Asia has organizational goals as stated in Article 2 of the Articles of Association. The aims and objectives of the foundation are in the field ofsocial and environmental

3. That in order to achieve the organizational goals as intended above, Article 3 explains the following activities:

a. As an institution that drives and implements related activitiesnatural resource management patterns include but are not limited to renewable energy and urban ecosystem issues based on the participation of all elements of society, private sector and government to achieve sustainable development in Indonesia;

b. As an institution that encourages renewable energy to become the main energy source;

c. As a means to transform urban areas that can encourage change towards sustainable development;

d. As an analytical institution that processes and presents data related to renewable energy and urban ecosystem issues consisting of local, regional and global activities;

e.As a liaison and facilitator between stakeholders related to sustainable developmentand urban ecosystems in Indonesia;

f. As an institution that collects and processes and distribute various information both qualitatively and quantitative research related to renewable energy and urban ecosystem issues; g. Conducting research and training in the form of workshops, seminars and talk shows on renewable energy and urban ecosystem issues;

h. Establishing cooperation with educational institutions, social institutions, religious institutions, and with government agencies and the wider community that have the same or nearly the same basis, aims and objectives and do not conflict with the Articles of Association;

4. That through Amicus Curiae, Trend Asia provides consideration to SOUTH JAKARTA DISTRICT COURT With Case No.: 1186/Pdt.G/2024/PN JKT.SEL, to encourage National Banks not to finance projects that damage the environment;

II. STATEMENT OF INTERESTS IN ASIAN TRENDS

Trend Asia is an independent civil society organization that acts as an accelerator for energy transformation and sustainable development in Asia. Our knowledge products relate to financial advocacy issues, as they are crucial for addressing problematic development projects. We believe that without money, there is no project, and this advocacy position is crucial for informing those who use corporate funds to ensure they do not negatively impact the environment and human well-being.

Some examples of our research on financial advocacy include:

1. The report "Indonesia's LNG Investment, a Step Backward on Climate Commitments" criticizes the involvement of financing from multilateral development banks (MDBs) that continue to support gas projects as part of the energy transition, which actually hinders Indonesia's climate commitments under the Paris Agreement.

Large investments in gas infrastructure have locked the country's dependence on fossil fuels, leading to negative environmental and social impacts, including cases of corruption and poor governance. The Indonesian government views gas as a bridge to the energy transition, but this approach is considered ambiguous and risks greenwashing.

The report recommends that development banks prioritize financing for equitable and sustainable renewable energy, and that governments immediately establish transparent energy transition policies that do not rely on gas to achieve emissions reduction and environmental sustainability targets.[1]

[1] Indonesia's LNG Investment, a Step Backward in Climate Commitments, March 2025, Link

2. Another report criticized the involvement of the International Finance Corporation (IFC), the investment arm of the World Bank Group (WBG), through financial intermediaries such as OCBC NISP, DBS Bank Ltd, and KEB Hana, in financing nickel industry projects in the Obi Island Industrial Estate that have had serious negative environmental and social impacts. 2

3. The report entitled "How IFC Supports Captive Coal-Fired Power Plants in The Nickel Industrial Area Destroys Obi Island" highlights greenhouse gas emissions of 3,489,944 tonnes of CO2e in 2022, dominated by the highly damaging use of captive coal-fired power plants (PLTU).

IFC was found to have failed to ensure its clients comply with Performance Standards and

The report calls for a comprehensive evaluation of IFC's clients, a ban on investments in the coal-dependent nickel industry, strict application of the Green Equity Approach (GEA) methodology, including for captive coal-fired power plants, and full transparency of environmental and social impact assessments in line with Paris Agreement commitments to prevent further environmental damage and support the clean energy transition.

Another report titled "Funding to Delay" is about the importance of financial advocacy as a crucial strategy for to accelerate the clean energy transition in Indonesia by encouraging financial institutions, especially banks, to stop financing the coal industry which is damaging the environment and prolonging the climate crisis. 3

Through pressure from the public as customers of commercial banks and strengthening policies related to transparency and risk management for beneficial owners and public figures associated with coal, advocacy is expected to reduce financial support for dirty energy and accelerate the decarbonization of the energy sector, in line with commitments to the Paris Agreement and prevent greenwashing and climate delay practices.

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[2] **How Is IFC Support for Captive Coal in the Nickel Industrial Estate Destroying Obi Island?, October 2023,Link**

[3] **Funding to Delay: Financial Institutions, Corporations, and Individuals Potentially Impeding a Just and Clean Energy Transition, July 2024,Link**

III. AMICI'S OPINION IN AMICUS CUREA

A. Financial Institutions as Targets of Advocacy and Campaigns

In advocacy and financial campaigns, funders are a target because they provide funds to companies to build projects. Funding from financial institutions to projects includes debt in the form of loans, debentures, and equity.

Financial institutions have types including multilateral development banks, export credit agencies, commercial banks, and investors.

Multilateral development banks operate globally, involving countries as shareholders and influencing policies regarding their debt distribution. Multilateral development banks include the World Bank Group, the Asian Development Bank, the Africa Development Bank, the Asian Infrastructure International Bank, and the European Bank for Reconstruction and Development.

For example, when the oil and gas company ExxonMobil decided to develop large oil reserves off the coast of Guyana, a South American country, the World Bank provided a loan to help Guyana update its oil laws. The law firm appointed for the task had been ExxonMobil's go-to law firm for 40 years.

Export credit agencies provide equipment sales financing and loan guarantees for private banks, including Germany's KfW Development Bank, US-Export Import, DFC, Japan Bank for International Cooperation (JBIC), Nippon Export and Investment Insurance (NEXI), China Export Import Bank (China Eximbank), and others. For example, Nippon Export and Investment Insurance (NEXI) guaranteed a US$1.7 billion syndicated bank loan for the Tanjung Jati B coal-fired power plant in Jepara, Central Java.

On the other hand, there is the role of investors in providing capital to companies by purchasing bonds or newly issued shares.

Examples include Khazanah Nasional Berhad, South Korea's National Pension Service, BlackRock, Fidelity, Allianz, and others. An example of implementation is the September 2021 purchase of US$37 million in SUEK bonds by US-based asset manager Fidelity. SUEK is Russia's largest coal mining company and coal-fired power plant operator.

Meanwhile, commercial banks' role in development is to provide loans and investment banking services to companies. These include Citigroup, JPMorgan Chase, Royal Bank of Canada, Standard Chartered, and the Industrial and Commercial Bank of China. For example, a syndicated loan from Bank of America, Commerzbank, and the Agricultural Bank of China was among the leading investment banks for SUEK's US$500 million bond issue in 2021.

All types of financial institutions play a role in supporting company projects. Therefore, when a project impacts people and the environment, financial institutions are responsible. Because they are the foundation and operation of a project. In practice, most companies require financial institutions, given the capital-intensive nature of projects, making their funding options essential.

B.Fugitive Money

Since money is fugitive, meaning it has liquid characteristics and can easily move across borders without any obstacles, monitoring its movement becomes a major challenge for a country's financial authorities.

This makes money not only difficult to trace but also vulnerable to misuse for illegal activities such as money laundering, tax evasion, and even terrorism financing. This situation is exacerbated by technological advances and globalization, which facilitate instant and anonymous money transfers, particularly through digital platforms and crypto assets.

Money is fugitive in the context of funding projects that harm people and the environment because it can move quickly across jurisdictional boundaries, regulations, and legal accountability. This high mobility allows funds to be easily diverted from one controversial project to another, avoiding public scrutiny and creating significant challenges for social and environmental accountability mechanisms.

In practice, these fugitive characteristics are clearly visible in large-scale infrastructure projects involving the extractive sector, such as mining or coal-fired power plants. The multinational corporations operating these projects often utilize complex networks of shell companies and international financial institutions, making it increasingly difficult to trace the flow of funds and disclose responsibility for negative environmental and social impacts (Global Witness, 2016).[4]

As a result, projects that damage the environment or ignore human rights can continue to receive funding despite protests and pressure from civil society and affected communities.

To address these challenges, strict financial transparency and strong regulations on cross-border reporting are key to ensuring that fugitive money does not continue to fund projects that harm people and the environment (European Parliament, 2018). Without strengthened regulation and oversight, the fugitive nature of money will continue to increase the risk of environmental damage and systematic human rights violations.[5]

In a corporate conglomerate, the fugitive nature of money can move from one group to a subsidiary and from a subsidiary to another group through various schemes. For exa~~mple~~, intra-company debt schemes.

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[4] **Global Witness. (2016). Hidden Menace: How secret company structures facilitate environmental and human rights abuses. London: Global Witness.Link**

[5] **European Parliament. (2018). Transparency, Accountability and Integrity in the EU Institutions. Brussels: Directorate-General for Internal Policies.**

This is a debt incurred between companies within a business group or corporate group. This debt can be used for working capital for subsidiaries. The parent company providing this debt should be held liable if the subsidiary commits an unlawful act. This is because the parent company will still receive debt payments and interest.

In other words, there are benefits derived from the debt to the subsidiary. When this occurs, the parent-subsidiary relationship becomes relevant and requires joint liability. This is what is known as an intermediary policy in financial advocacy, targeting project funding intermediaries, such as parent companies, involved in the money chain. Therefore, it's important to emphasize that since money is fugitive, all links in the flow chain can be held accountable.

C.Financial Institutions Need to Align and Comply with Climate Agreements

Global financial institutions have a significant responsibility to play an active role in addressing the climate crisis. To achieve this, they need to consistently comply with the various climate commitments they have agreed to globally. Adhering to these commitments is crucial not only to fulfill moral and ethical obligations but also to concretely mitigate the risks posed by climate change and encourage sustainable investment.

One effective way to ensure compliance is to join and actively participate in international groups or initiatives specifically addressing the financial transition to a low-carbon economy. In addition to the Net Zero Asset Managers Initiative, many financial institutions have joined pro-climate movements such as the Glasgow Financial Alliance for Net Zero (GFANZ) and the Net-Zero Banking Alliance (NZBA).

GFANZ is an international coalition that unites various financial sector actors—from banking, insurance, to asset managers—with the aim of accelerating the achievement of the zero-emission target by 2050.

and keeping global temperatures below 1.5 degrees Celsius.6 GFANZ serves as a platform to strengthen global collaboration and ensure concrete action from the financial sector in aligning their investments with the Paris Agreement. GFANZ is one of the largest groups of global financial institutions, with approximately 550 members from 50 jurisdictions.

Meanwhile, the NZBA specifically brings together banking institutions worldwide to commit to developing and implementing clear strategies to reduce carbon emissions in their lending and investment portfolios. Joining the NZBA will encourage banking institutions to set science-based targets and increase transparency in reporting on progress towards net-zero emissions.

By actively joining and contributing to initiatives like the Net Zero Asset Managers Initiative, GFANZ, and NZBA, global financial institutions are not only strengthening their climate commitments but also creating a tangible impact on the transition to a greener and more sustainable economy. This collaboration will help accelerate the achievement of global goals to address climate change effectively and measurably.

It's crucial for financial institutions to align with climate commitments to ensure their actions don't contribute to global warming. For example, financial institutions affiliated with GFANZ continue to finance the fossil fuel industry, providing hundreds of billions of dollars for the expansion of fossil fuel projects.7 This contradicts their commitment to keeping the planet and global warming on track.

In practice in Indonesia, national commercial banks should also have a strong climate commitment. Indonesia is a country with high vulnerability to the impacts of the climate crisis, such as coastal erosion.

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[6]GFANZ Reveals Year of Membership Growth and Implementation in Annual Progress Report, Expands Leadership with New Principal Group Members, October 2022,Link

[7]Throwing fuel on the fire: GFANZ members provide billions in finance for fossil fuel expansion, January 2023,Link

submerged by sea level rise. The opposite is sometimes true, as national banks have low due diligence standards to ensure their clients will not cause environmental impacts or harm humans. When damage or legal violations occur, the banks also share the responsibility. To avoid this, project financing requires clear climate commitments from the very beginning.

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TREND ASIA