

Robeco
Peter van der Werf

Amsterdam, 27 November 2019

Dear Peter,

I would like to inform you about a new research publication by Sustainable Development Institute (SDI) on Equatorial Palm Oil (EPO) /Kuala Lumpur Kepong Berhad (KLK) plantations in Liberia. You are financing this company. EPO/KLK is a controversial company, found to be involved in forced and child labor, land grabbing in Papua New Guinea and Liberia, and deforestation in Indonesia. Financiers and companies have halted relations with or taken action on EPO/KLK, because of adverse impacts in the plantations and lack of a proper policy response.¹ Recently, another foreign shareholder withdrew, possibly because of environmental issues.² KLK plantations in Indonesia are burning.³

SDI has worked with communities affected by the EPO/KLK plantations for many years, resulting in a victory for one community that resisted the landgrab (Jogbahn clan). Recently, communities have informed us that EPO/KLK is resuming its tactics of intimidation and pressure to grab more land for its plantations. Communities in the area that have previously agreed for their land to be converted into plantations, now suffer from lack of living space, increased food insecurity and poverty.

Furthermore, the expansion area is covered in High Carbon Stock and High Conservation Value forest. Any expansion will either convert forests directly or indirectly push community based farmers inside forest areas to replace the area they lost from conversion to industrial plantations.

Please read the SDI factsheet [here](#) for further details on this case. Any questions are welcome. Robeco does not have any red lines for financing palm oil companies, other than the RSPO membership and % of plantations certified. This approach is clearly leading to a high risk of contributing to human rights violations and environmental harm, since these are systemic in the sector. As well as greatly reduces your leverage to push companies to deal with adverse impacts. We once more call upon you to stop financing the industrial palm oil sector and promote the development of Liberian community based agriculture instead.

Best wishes,

Danielle van Oijen

programme coordinator forests

1: Chain Reaction Research: <https://chainreactionresearch.com/reports/kuala-lumpur-kepong-klk/> ; Rainforest Action Network: https://d3n8a8pro7vhm.cloudfront.net/rainforestactionnetwork/pages/2779/attachments/original/1415662670/klk_case_study_2014_low.pdf?1415662670 ; <https://news.mongabay.com/2013/03/norways-wealth-fund-dumps-23-palm-oil-companies-under-new-deforestation-policy/> divestment Norwegian Government Pension Fund Global;

2: <https://www.thestar.com.my/business/business-news/2019/10/04/recent-shareholder-exit-from-klk-a-source-of-concern-says-aminvestment>

3. Greenpeace, 2019: <https://storage.googleapis.com/planet4-international-stateless/2019/11/5c8a9799-burning-down-the-house-greenpeace-indonesia-fires-briefing.pdf>