

Robeco
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Exclusion policy Robeco
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Dear Peter

Robeco regularly updates its exclusion list. Milieudefensie reviewed the palm oil companies on the list and checked those against data on your investment portfolio from Refinitiv Eikon. Based on that assessment we have the following question and comments.

1. In some cases (see Socfin, KLK for example) the listing of related companies is unclear and we think this might have to do with your definition of a 'company' and 'corporate group'. We suggest you use the following widely accepted definition from the accountability framework: <https://accountability-framework.org/the-framework/contents/definitions/>

What definition is used by Robeco to determine the company and corporate group?

2. According to information provided by Robeco to Milieudefensie, you use a threshold to determine if a company is a 'palm oil company' that falls under the scope of the palm oil section of controversial behaviour in the exclusion policy. This threshold is not mentioned in your exclusion policy document. Does that threshold still exist and what is the threshold exactly?

3. Socfin companies, but also others, certify parts of their plantations. This excludes certain estates or titles, even when those estates and titles are part of the same landscape, are controlled by the same company and supply the same palm oil mill as the certified area. This is used as a tactic to achieve certification, whilst in the uncertified areas land rights or deforestation issues persist. How is the percentage of RSPO certified land calculated? What is the numerator? And what is the denominator? How is the fact that only part of 'certified' plantations may be actually certified included in the calculation?

4. The exclusion policy states: "Robeco requires them to make progress towards full RSPO certification and addresses potential controversies and breaches of the UN Global compact." Does this mean that Robeco considers additional criteria on top of the percentage of RSPO certified lands? If there are additional criteria, what are 'potential controversies', how do you assess those and how do you involve third party information and local stakeholders?

5. Recent reports by Greenpeace ([Destruction Certified, March 2021](#)) and Milieudefensie ([Palm Oil Certification: Not 'Out of the Woods', March 2021](#)) demonstrate the failure of the RSPO to prevent social and environmental harms and organise proper consultation. Did you change your policy taking into account the findings of these reports?

For specific companies we note the following inconsistencies and questions:

6. The treatment of corporate entities pertaining to the Socfin group on your exclusion lists seem to be inconsistent. Socfin and Socapalm are on the 'sustainability inside' exclusion list. Socfinaf is only on the two other lists and thus not excluded from your portfolio. Why? Why is Socfin Agriculture Company Sierra Leone not on the exclusion list?

7. Your exclusion policy states that companies with severe breaches of the OECD guidelines and the UNGPs will be included in an 'engagement trajectory' and excluded if after three years the 'desired change' is not achieved. Who determines if there is a 'severe breach' and what the 'desired change' is? Are stakeholders and third party information included? The French and Belgian National Contact Points of the OECD found that Socapalm and Socfin do not comply with OECD guidelines¹. In 2017 the Belgian NCP dismissed the case because the company did not comply with the action plan.² In 2019, because the harms in Cameroon persist, a group of NGOs filed a lawsuit in France that asks the judge to force execution of the action plan.³ Are Socapalm and related companies excluded on these grounds?

8. Kuala Lumpur Kepong Bhd (KLK) has been included in the Robeco exclusion list since May 2021 for its Sustainability Focused and Impact Investing strategies. Robeco owned 22.9 million USD worth of KLK shares, according to the most recent filing in Refinitiv Eikon, which dates from 1 December 2020 (retrieved 15 June 2021). Do you continue to finance KLK?

9. Batu Kawan Bhd is on the 'sustainability inside' exclusion list. Is this related to PT Satu Sembilan Delapan or KLK? Why is KLK not on the same list?

10. Refinitiv Eikon data still show a 0.4 million USD investment in PT Indofood CBP Sukses Makmur Tbk in January 2021. Although Indofood CBP Sukses Makmur is not on Robeco's exclusion list, its parent company Indofood Sukses Makmur and one of the group's other subsidiaries, Indofood Agri Resources, have been on the list since December 2019. First Pacific, Indofood's ultimate majority owner, has also been on Robeco's exclusion list since March 2019. Why does Robeco continue to finance PT Indofood CBP Sukses Makmur Tbk?⁴

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- 1 Report of the French National Contact Point for the OECD Guidelines for Multinational Enterprises, SOCAPALM, 3 June 2013, available at <https://www.tresor.economie.gouv.fr/Ressources/File/397319>. & Belgian National Contact Point, Press release, on the specific circumstance SOCAPALM / SOCFIN / SOCFINAF - Center for Development - Cameroon (CED Cameroon), the Foundation Cameroonian Rationalized Actions and Training on the Environment (FOCARFE), the association SHERPA (France) and the NGO MISEREOR (Germany), 5 October 2015
 - 2 Belgium National Contact Point, 2017, Final Statement, Communiqué-pcn-belge-Socapalm-Socfin-Socfinaf-Groupe-Bollere-fr-20170615%20.pdf
 - 3 Sherpa et al., "Bolloré group sued by NGOs in an unprecedented legal action," 27 May 2019, available at <https://www.grain.org/en/article/6238-bollore-group-sued-by-ngos-in-an-unprecedented-legal-action>
 - 4 Indofood Sukses Makmur, 2020, "Annual Report 2019", <<https://www.indofood.com/investor-relation/annual-report/12>>, p. 8, 153; Indofood Agri Resources Ltd, 2021, "Annual Report 2020", <http://investor.indofoodagri.com/newsroom/20210408_074709_5JS_T88U29TISAUAYNNI.1.pdf>, p. 6; Indofood CBP Sukses Makmur, 2020, "Annual Report 2019", <[https://www.indofoodcbp.com/uploads/annual/AR%20ICBP%202019%20\(Web%20Version\).pdf](https://www.indofoodcbp.com/uploads/annual/AR%20ICBP%202019%20(Web%20Version).pdf)>, p. 12.



11. Another remarkable investment concerns Robeco's shareholdings in POSCO, the parent company of POSCO International (formerly known as POSCO Daewoo). Robeco had invested in POSCO both in March 2019 (worth 76 million USD) and January 2021 (53 million USD), despite POSCO Daewoo being on Robeco's exclusion lists of March and December 2019. POSCO owns 62.9 percent of the shares of POSCO International. The investment is confirmed by Robeco's 2019 annual report, in which it lists 39.6 million USD 27 worth of investments in POSCO.

12. According to Refinitiv Eikon data, Robeco continues to invest in Astra International Tbk PT, despite listing Astra's subsidiary Astra Agro Lestari on all five exclusion Lists since March 2019. Why do you continue to invest in Astra International Tbk PT?

We look forward to your responses and any changes resulting from these comments and questions in your exclusion policy and investment portfolio.

Best wishes,



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