June 26, 2013

Mr. Lex Fenwick
Chief Executive Officer
Dow Jones & Co.

Mr. Michael Baldinger
Chief Executive Officer
RobecoSAM AG

Dear Messrs. Fenwick and Baldinger,

We write to urge Dow Jones & Co. and RobecoSAM to remove POSCO from the Dow Jones Sustainability Index due to POSCO’s continued refusal to address its use of cotton produced via forced labor in Uzbekistan. This issue casts strong doubts on POSCO management’s commitment to corporate sustainability and the company’s ability to address critical economic and social issues.

Every year the government of Uzbekistan forcibly mobilizes over a million children, teachers, public servants and private sector employees for the manual planting and harvesting of cotton. The Uzbek government requires farmers to grow cotton, and local provincial government offices to forcibly mobilize adults and children to harvest cotton and meet assigned quotas. The Uzbek government enforces these orders with threats; detains and tortures Uzbek activists seeking to monitor the situation; and continues to refuse to allow international monitors to observe the cotton harvest.

The use of forced labor to prepare fields and harvest cotton violates the labor laws of Uzbekistan and international laws ratified by the Uzbek government, in particular International Labor Organization Conventions No. 105 on the Abolition of Forced Labour and No. 182 on the Elimination of the Worst Forms of Child Labour. In addition to coercing over one million people into forced labor in the cotton fields, the Uzbek government system of cotton production impoverishes cotton farmers and profits exclusively the central government. Employers, workers and government representatives to the International Labour Organisation (ILO) have repeatedly called on the Uzbek government to accept tripartite ILO monitoring to determine the extent of the problem and make recommendations on the best way to deal with it, but the Uzbek government continues to refuse.
Unfortunately, Daewoo International, a subsidiary of POSCO, is the largest cotton manufacturer in Uzbekistan and operates three cotton companies in country, including Daewoo Textile Fergana, Daewoo Textile Bukhara, and Global Komsco Daewoo. Although, both POSCO and Daewoo have publicly acknowledged their connection to forced labor cotton in Uzbekistan, neither company has taken appropriate actions to fulfill their obligations under the UN Global Compact or the Guidelines for Multinational Enterprises of the Organization for Economic Cooperation and Development.

Therefore, we respectfully ask you to initiate a Media & Stakeholder Analysis of POSCO that includes consultation with representatives from the Cotton Campaign as the first step toward removing POSCO from the Index. Please respond by July 10, 2013 so we can plan accordingly and begin disseminating information to the investment community.

Sincerely,

Matthew M. Fischer-Daly
The Cotton Campaign Coordinator

Cc: David Blitzer, Managing Director, S&P Dow Jones Indices
    Sandro Conte, Manager Index Operations, S&P Dow Jones Indices
    Guido Giese, Head of Indexes, RobecoSAM AG
    Christopher Greenwald, Head of Sustainability Application and Operations, RobecoSAM AG