

May 4, 2016

Regulatory Complaints

UK Regulation

London Stock Exchange

Attn: Marcus Stuttard, Head of UK Markets and AIM

Attn: Claire Dorrian, AIM Product Management

Attn: Umerah Akram, AIM Policy

10 Paternoster Square

London EC4M 7LS

Financial Conduct Authority, UK Listing Authority

25 The North Colonnade

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London E14 5HS

To: Alternative Investment Market of the London Stock Exchange, the UK Financial Conduct Authority, and the UK Listing Authority

We the undersigned organizations write to notify you of our grave concerns related to ongoing illegal deforestation of at least 11,118 hectares in the Peruvian Amazon being financed by capital generated in the Alternative Investments Market (AIM) of the London Stock Exchange (LSE). The illegally deforested area is equivalent to about 45 times the area of London's famous Hyde Park and Kensington Gardens, combined.¹ The company implicated, United Cacao Limited SEZC (hereinafter, United Cacao) whose ticker symbol is "CHOC," along with its Peruvian subsidiaries, began trading on AIM in December 2014. At that time, one of the company's subsidiaries, Cacao del Peru Norte, was responsible for at least 1,944 hectares² of illegal deforestation of Amazon rainforest.³ The illegal clearing of rainforest by Cacao del Peru Norte has continued to date⁴ despite orders by the Peruvian Ministry of Agriculture to cease all such operations on Dec. 9, 2014.⁵

Two related Peruvian companies to which United Cacao has provided financing, Plantaciones de Pucallpa and Plantaciones de Ucayali,^{6,7} are responsible for at least an additional 9,174 hectares of illegal deforestation in the Peruvian Amazon.^{8,9} The Peruvian government has also ordered these

¹ Together, these parks cover an area of 615 acres, or about 248 hectares. The Royal Parks. (2016). Hyde Park. Kensington Park. London. <<https://www.royalparks.org.uk/parks/hyde-park> >

< <https://www.royalparks.org.uk/parks/kensington-gardens> >

² Dirección General de Asuntos Ambientales Agrarios, Ministerio de Agricultura y Riego. (2014, December 9). Resolución de Dirección General N° 462-2014-MINAGRI-DVDIAR-DGAAA. Lima, Peru.

³ Dirección General de Asuntos Ambientales Agrarios, Ministerio de Agricultura y Riego. (2014, October 13). Informe 1008-14-MINAGRI-DVDIAR-DGAAA-DGAA-112228-14. Lima, Peru.

⁴ Finer M, Novoa S. (2016). United Cacao Continues Deforestation of Primary Forest in Tamshiyacu (Loreto, Peru). MAAP: #27. < <http://maaproject.org/2016/united-cacao/> >

⁵ Dirección General de Asuntos Ambientales Agrarios, Ministerio de Agricultura y Riego. (2014, December 9). Resolución de Dirección General N° 462-2014-MINAGRI-DVDIAR-DGAAA. Lima, Peru.

⁶ United Cacao Limited SEZC. (2015, June). *Building Communities Growing Cacao: Annual Report 2014*. p.42.

⁷ United Cacao Limited SEZC. (2015, September 29). Half Yearly Report. London.

⁸ Dirección General de Asuntos Ambientales Agrarios, Ministerio de Agricultura y Riego. (2015, September 2). Resolución de Dirección General N° 270-2015-MINAGRI-DVDIAR-DGAAA. Lima, Peru.

⁹ Dirección General de Asuntos Ambientales Agrarios, Ministerio de Agricultura y Riego. (2014, December 9). Resolución de Dirección General N° 463-2014-MINAGRI-DVDIAR-DGAAA. Lima, Peru.

companies to cease operations.^{10,11} Though AIM-traded companies are not required to disclose the same level of information about related companies as for the listed entity and its direct, fully-owned subsidiaries, the operations of these related companies are relevant. Plantaciones de Ucayali and Plantaciones de Pucallpa have derived significant financing from United Cacao (over USD \$3,000,000 by December 2014)¹² and play a prominent role as two of the three Peruvian corporate entities controlled by United Cacao's CEO, Dennis Melka, which are engaged in ongoing illegal deforestation.^{13,14} Plantaciones de Pucallpa has been accused by several indigenous groups and representatives of violating indigenous rights to their traditional lands, and a recent preliminary resolution from the Roundtable on Sustainable Palm Oil confirmed that available evidence supported this claim.^{15,16}

AIM must undertake a robust and transparent investigation into United Cacao, its Peruvian operations and related companies, to determine compliance with AIM rules and procedures, pursuant to authorities granted in Rules 40-42 of AIM Rules for Companies¹⁷ as well as AIM's Disciplinary Procedures and Appeals Handbook.¹⁸

Though United Cacao is registered in the Cayman Islands, company statements do not allude to any operations of United Cacao itself, other than being the owner of subsidiaries operating in Peru. United Cacao's subsidiaries and related companies in Peru carry out its core business, and are all legally controlled by United Cacao's CEO, Dennis Melka. The extent to which United Cacao has accurately represented its subsidiary operations determines its compliance with AIM's rules for disclosure, while its funding of related companies operating in violation of Peruvian law threatens the reputation of AIM itself. In parallel and as a complement to the AIM investigation, the UK Financial Conduct Authority and the UK Listing Authority must investigate whether United Cacao has broken laws or trading rules in the United Kingdom by its misrepresentations and false statements, as described in the attached briefing: "London Stock Exchange Financing for Illegal Deforestation in Peru via AIM-listed United Cacao Ltd. SEZC."

The Peruvian government initiated legal action against the United Cacao's Peruvian subsidiary, Cacao del Peru Norte, as early as 2013,^{19,20} prior to the company's initial public offering in December

¹⁰ Dirección General de Asuntos Ambientales Agrarios, Ministerio de Agricultura y Riego. (2015, September 2). Resolución de Dirección General N° 270-2015-MINAGRI-DVDIAR-DGAAA. Lima, Peru.

¹¹ Dirección General de Asuntos Ambientales Agrarios, Ministerio de Agricultura y Riego. (2014, December 9). Resolución de Dirección General N° 463-2014-MINAGRI-DVDIAR-DGAAA. Lima, Peru.

¹² United Cacao Limited SEZC. (2015, June). *Building Communities Growing Cacao: Annual Report 2014*. p. 40.

¹³ Dirección General de Asuntos Ambientales Agrarios, Ministerio de Agricultura y Riego. (2015, September 2). Resolución de Dirección General N° 270-2015-MINAGRI-DVDIAR-DGAAA. Lima, Peru.

¹⁴ Dirección General de Asuntos Ambientales Agrarios, Ministerio de Agricultura y Riego. (2014, December 9). Resolución de Dirección General N° 463-2014-MINAGRI-DVDIAR-DGAAA. Lima, Peru.

¹⁵ Roundtable on Sustainable Palm Oil. (2016, April, 25). "Preliminary Decision- Forest People Programme Complaint against Plantaciones de Pucallpa, Peru." Kuala Lumpur, Malaysia.

¹⁶ Pueblos Indígenas Kakataibos, Shipibo, y Awajun. (2015, August 21). Letter from Indigenous Representatives to the Ministry of Agriculture. Lima, Peru.

¹⁷ London Stock Exchange. (2016, January 1). AIM Rules for Companies. (Rules 40-42). London. p. 13.

¹⁸ London Stock Exchange. (2014, May). AIM Disciplinary Procedures and Appeals Handbook. London. < <http://www.londonstockexchange.com/companies-and-advisers/aim/advisers/aim-notices/aimdisciplinaryproceduresmay2014.pdf> >

¹⁹ "Carpeta Fiscal 234-2013" as referenced in Oficina de Asesoría Jurídica, Ministerio de Agricultura y Riego. (2014, September 10). Informe 1066-2014-MINAGRI-OGAJ. Lima, Peru.

²⁰ "Carpeta Fiscal 234-2013" as referenced in Procuraduría Pública Especializada en Delitos Ambientales, Ministerio del Ambiente. (2015, November 19). Informe No. 22-2015-MINAM/PP. Lima, Peru.

2014. United Cacao's Admission Document misrepresented the extent to which legal rulings in Peru favored the company at that time,²¹ as did subsequent statements to investors,²² in violation of AIM rules.²³

In addition to the ongoing legal actions brought by the Peruvian government, detailed in Figure 1 of the attached briefing, the nature of the crimes which the company stands accused are an important matter for AIM to address. Allowing companies listed on AIM to raise capital to violate other countries' national laws jeopardizes the "integrity and reputation" of the market, which is grounds for suspension of a company's trading, according to AIM Rules.²⁴ The attached briefing²⁵ details the misrepresentations and material omissions that are contained in United Cacao's public statements. These misrepresentations and material omissions include, but are not limited to:

- Providing false statements²⁶ about the deforestation and illegal removal of timber from project sites.²⁷
- Asserting legal interpretations of Peruvian law²⁸ that were neither correct nor sanctioned by the appropriate government authorities in Peru.²⁹
- Claiming that agricultural activities existed on the Company's properties prior to the company's operations in Peru,³⁰ when government reports³¹ and satellite imagery³² clearly show otherwise.

²¹ Strand Hanson Limited, VSA Capital Limited and Kallpa Securities Sociedad Agente de Bolsa S.A. (2014, November 26). Admission Document: United Cacao Limited SEZC. p. 40.

²² United Cacao Limited SEZC. (2016, February 15). Litigation & Settlement Results. London.

²³ London Stock Exchange. (2016, January 1). AIM Rules for Companies. (Rules 3, 10, 11). London. p. 4, 6.

²⁴ London Stock Exchange. (2016, January 1). AIM Rules for Companies. (Rule 40). London. p. 13.

²⁵ Environmental Investigation Agency. (2016, May 4). *London Stock Exchange Financing for Illegal Deforestation in Peru via AIM-listed United Cacao Ltd. SEZC*. Washington, DC.

²⁶ Strand Hanson Limited, VSA Capital Limited and Kallpa Securities Sociedad Agente de Bolsa S.A. (2014, November 26). Admission Document: United Cacao Limited SEZC. p. 28.

²⁷ Environmental Investigation Agency. (2016, May 4). Clear Corporate Connections, *London Stock Exchange Financing for Illegal Deforestation in Peru via AIM-listed United Cacao Ltd. SEZC*. Washington, DC.

²⁸ Strand Hanson Limited, VSA Capital Limited and Kallpa Securities Sociedad Agente de Bolsa S.A. (2014, November 26). Admission Document: United Cacao Limited SEZC. p. 40-41.

²⁹ Environmental Investigation Agency. (2016, May 4). Disclosing Selective and Incorrect Information, *London Stock Exchange Financing for Illegal Deforestation in Peru via AIM-listed United Cacao Ltd. SEZC*. Washington, DC.

³⁰ Strand Hanson Limited, VSA Capital Limited and Kallpa Securities Sociedad Agente de Bolsa S.A. (2014, November 26). Admission Document: United Cacao Limited SEZC. p. 25, 28, 29, 40.

³¹ Oficina de Asesoría Jurídica, Ministerio de Agricultura y Riego. (2014, September 10). Informe 1066-2014-MINAGRI-OGAJ. Lima, Peru.

³² USGS Landsat 7,8 INPE. Sidney Novoa & Nick Cuba. As in Environmental Investigation Agency. (2015). *Deforestation by Definition: The Peruvian government fails to define forests as forests, while palm oil expansion and the Malaysian influence threaten the Amazon*. Washington, DC.

- Failing to disclose the true nature of the legal basis of actions being brought against Cacao del Peru Norte,^{33,34,35,36,37} and failing to disclose information about legal actions against United Cacao's CEO, Dennis Melka, by the Peruvian government.³⁸
- Claiming to have followed all environmental approval procedures when official documents demonstrate that this is not the case.³⁹
- Misrepresenting the outcome of a Peruvian Supreme Court ruling by implying a final decision had been rendered by the court which granted authorization for United Cacao's subsidiary's to operate,⁴⁰ despite the case being unresolved to date and the environmental approvals still not having been obtained.⁴¹
- Citing reports from the Peruvian government in its Admission Document, without noting that as of the time of filing, the cited reports had been corrected by the Peruvian government.⁴²
- Indicating that the Peruvian government might change its interpretation about the requirement for Cacao del Peru Norte to obtain a best land use classification and a change of land use authorization before initiating deforesting activities,⁴³ when the interpretation had already been changed and the opinion cited in the Admission Document had been issued by the improper legal authority, removing any basis for this assertion as a purported risk at the time of United Cacao's submission to AIM.⁴⁴
- Failing to consider or disclose risks that the Peruvian government might enforce and honor its global commitments to combat climate change and support biodiversity by reducing or eliminating deforestation in the country.⁴⁵

The specific cases that are outlined in the attached briefing reference public information and documents in Peru which provide conclusive evidence that United Cacao caused via subsidiaries, or

³³ Strand Hanson Limited, VSA Capital Limited and Kallpa Securities Sociedad Agente de Bolsa S.A. (2014, November 26). Admission Document: United Cacao Limited SEZC. p. 40-41.

³⁴ United Cacao Limited SEZC. (2016, February 15). Litigation & Settlement Results. London.

³⁵ United Cacao Limited SEZC. (2015, September 29). Half Yearly Report. London.

³⁶ Environmental Investigation Agency. (2016, May 4). The Problems with Informe 1376, *London Stock Exchange Financing for Illegal Deforestation in Peru via AIM-listed United Cacao Ltd. SEZC*. Washington, DC.

³⁷ United Cacao Limited SEZC. (2015, June). *Building Communities Growing Cacao: Annual Report 2014*. p. 16.

³⁸ Environmental Investigation Agency. (2016, May 4). Figure 1, *London Stock Exchange Financing for Illegal Deforestation in Peru via AIM-listed United Cacao Ltd. SEZC*. Washington, DC.

³⁹ Environmental Investigation Agency. (2016, May 4). The Problems with Informe 1376, *London Stock Exchange Financing for Illegal Deforestation in Peru via AIM-listed United Cacao Ltd. SEZC*. Washington, DC.

⁴⁰ United Cacao Limited SEZC. (2016, February 15). Litigation & Settlement Results. London.

⁴¹ Environmental Investigation Agency. (2016, May 4). Supreme Court Ruling, *London Stock Exchange Financing for Illegal Deforestation in Peru via AIM-listed United Cacao Ltd. SEZC*. Washington, DC.

⁴² Environmental Investigation Agency. (2016, May 4). The Problems with Informe 1376, *London Stock Exchange Financing for Illegal Deforestation in Peru via AIM-listed United Cacao Ltd. SEZC*. Washington, DC.

⁴³ Strand Hanson Limited, VSA Capital Limited and Kallpa Securities Sociedad Agente de Bolsa S.A. (2014, November 26). Admission Document: United Cacao Limited SEZC. p. 40-41

⁴⁴ Environmental Investigation Agency. (2016, May 4). The Problems with Informe 1376, *London Stock Exchange Financing for Illegal Deforestation in Peru via AIM-listed United Cacao Ltd. SEZC*. Washington, DC.

⁴⁵ Environmental Investigation Agency. (2016, May 4). Section 2: Failure to consider risks: Peruvian Commitments to Forest Conservation and Climate Change Mitigation, *London Stock Exchange Financing for Illegal Deforestation in Peru via AIM-listed United Cacao Ltd. SEZC.*, Washington, DC.

financed via related companies, the illegal deforestation of at least 11,118 hectares^{46,47,48} of mostly primary tropical rainforest.^{49,50} With ongoing AIM financing, United Cacao, its subsidiaries, and related companies controlled by United Cacao's CEO, Dennis Melka, have acquired or are attempting to acquire substantially more land across the Peruvian Amazon for large-scale plantation agriculture.^{51,52} However, only a small percentage of land in the Amazon regions where these properties are located is suitable for agricultural purposes.^{53,54} Given the past misrepresentations contained in United Cacao's filings with AIM, the nature of the misrepresentations and related violations of AIM's rules and policies, AIM must take disciplinary action pursuant to Rule 42 and prevent United Cacao from raising any further funds for illegal deforestation through the structures and facilities of AIM.

United Cacao's financing for illegal deforestation also threatens indigenous peoples' rights. Local communities near the companies' operations in Ucayali have lodged complaints with the government about the company for having violated their rights to their traditional territory and for not completing environmental impact assessments before beginning operations.⁵⁵ On April 25, 2016, the Roundtable for Responsible Palm Oil (RSPO) responded to allegations made by local indigenous communities, and issued a preliminary decision confirming evidence of violation of its principles and criteria on indigenous rights, deforestation of high conservation value forest, environmental permits, new planting procedure, and intimidation by United Cacao's related company, Plantaciones de Pucallpa.⁵⁶ Indigenous community leaders have explained that their traditional forestland, which was pending formal land titling, has been completely destroyed, reporting damage not only to forests, but wildlife deaths and diversion of rivers and/or streams.⁵⁷ These and other communities in Peru

⁴⁶ Dirección General de Asuntos Ambientales Agrarios, Ministerio de Agricultura y Riego. (2014, December 9). Resolución de Dirección General N° 462-2014-MINAGRI-DVDIAR-DGAAA. Lima, Peru.

⁴⁷ Dirección General de Asuntos Ambientales Agrarios, Ministerio de Agricultura y Riego. (2014, December 9). Resolución de Dirección General N° 463-2014-MINAGRI-DVDIAR-DGAAA. Lima, Peru.

⁴⁸ Dirección General de Asuntos Ambientales Agrarios, Ministerio de Agricultura y Riego. (2015, September 2). Resolución de Dirección General N° 270-2015-MINAGRI-DVDIAR-DGAAA. Lima, Peru.

⁴⁹ USGS Landsat 7,8 INPE. Sidney Novoa & Nick Cuba. As in Environmental Investigation Agency. (2015). *Deforestation by Definition: The Peruvian government fails to define forests as forests, while palm oil expansion and the Malaysian influence threaten the Amazon*. Washington, DC.

⁵⁰ As referenced in Cannon, John C. (2015, January 20). Company chops down rainforest to produce 'sustainable' chocolate. Mongabay. < <http://news.mongabay.com/2015/01/company-chops-down-rainforest-to-produce-sustainable-chocolate/> >

⁵¹ Environmental Investigation Agency. (2015). *Deforestation by Definition: The Peruvian government fails to define forests as forests, while palm oil expansion and the Malaysian influence threaten the Amazon*. Washington, DC. p. 20-22.

⁵² Dirección Regional Agraria de Loreto. (2013). Official response to an Environmental Investigation Agency's access to information request.

⁵³ Only 1.53% of Loreto's land is potentially suitable for agriculture according to Dirección General de Asuntos Ambientales Agrarios, Ministerio de Agricultura y Riego. (2014, December 9). Resolución de Dirección General N° 462-2014-MINAGRI-DVDIAR-DGAAA. Lima, Peru.

⁵⁴ Only 8.2% of Ucayali's land is suitable for agriculture according to Dirección General de Asuntos Ambientales Agrarios, Ministerio de Agricultura y Riego. (2014, December 9). Resolución de Dirección General N° 463-2014-MINAGRI-DVDIAR-DGAAA. Lima, Peru.

⁵⁵ Dirección General de Asuntos Ambientales Agrarios, Ministerio de Agricultura y Riego. (2015, September 2). Resolución de Dirección General N° 270-2015-MINAGRI-DVDIAR-DGAAA. Lima, Peru.

⁵⁶ Roundtable on Sustainable Palm Oil. (2016, April, 25). "Preliminary Decision- Forest People Programme Complaint against Plantaciones de Pucallpa, Peru." Kuala Lumpur, Malaysia.

⁵⁷ Souter, Robert. "Palm oil expansion in Peru is killing our people, says indigenous leader." (2015, November 05). *Dialogo Chino*. <http://dialogochino.net/palm-oil-expansion-in-peru-is-killing-our-people-says-indigenous-leader/>.

depend on forest resources, as well as ecosystem services provided by forests, for their food, water, housing, and livelihoods.⁵⁸

The right to land and territory is a fundamental requirement in international laws which enshrine the rights of indigenous peoples.⁵⁹ The legal framework applicable in Peru also includes the binding jurisprudence of the Inter American Court of Human Rights (IACHR), which has established on multiple occasions that the property rights of indigenous peoples are not restricted to those lands that have been issued with official legal title but extend to all those lands occupied, owned, or otherwise used according to custom.⁶⁰⁶¹ In various cases the IACHR has established that “traditional possession of their lands by indigenous people has equivalent effects to those of a state-granted full property title” and such possession “entitles indigenous people to demand official recognition and registration of property title.”⁶²⁶³

The International Labour Organization Convention 169 (ILO 169), ratified by Peru in 1993 and enacted as binding in the country in 1994,⁶⁴ clarifies that indigenous peoples are entitled to rights over land which they occupy and which sustains natural resources which they depend upon for subsistence activities.⁶⁵ In addition to ILO 169, the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) further affirms indigenous peoples’ right to free prior and informed consent over projects that affect them, including those which occur on or affect their traditional territories.⁶⁶

In Peru, which is a signatory to both, ILO 169 and UNDRIP, indigenous organizations estimate that in addition to currently titled lands, at least 20 million hectares in Peru’s Amazon region are traditional indigenous territories which have not yet received formal land title from the government.⁶⁷ While formalization of land rights in these regions remains pending, the Peruvian government has clear obligations under international law to refrain from approving projects on indigenous lands,⁶⁸ and thus, companies must wait until the indigenous claims to land tenure are resolved before moving forward and deforesting these lands. The Roundtable on Sustainable Palm Oil’s preliminary decision

⁵⁸ Michael Valqui, Conrad Feather and Roberto Espinosa Llanos. (2015) “Revealing the Hidden: Indigenous Perspectives on deforestation in the Peruvian Amazon; the causes and the solutions.” *AIDSESP and Forest Peoples Programme*. Moreton in Marsh, UK.

⁵⁹ Articles 8, 10, 25-30, 32. United Nations Declaration on the Rights of Indigenous Peoples. (2007).

⁶⁰ Political Constitution of Peru (1993), Art. 55.

⁶¹ Peru’s Constitutional court has established that: “International human rights treaties to which the Peruvian state is a party make up the legal framework. They are not just part of the legal framework, however, but hold constitutional status”. STC N° 00025-2005-PI/TC y N° 00026-2005-PI/TC acumulados, f.j. 25. (2006, April 25). (Authors translation).

⁶² I/A Court H.R., *Case of the Sawhoyamaya Indigenous Community v. Paraguay. Merits, Reparations and Costs*. Judgment of March 29, 2006. Series C No. 146, par. 128 (“*Sawhoyamaya*”);

⁶³ IA Court H.R., *Case of the Mayagna (Sumo) Awas Tingni Community v. Nicaragua. Merits, Reparations and Costs*. Judgment of January 31, 2001. Series C No. 79, par. 151 (“*Awas Tingni*”) (“As a result of customary practices, possession of the land should suffice for indigenous communities lacking real title to property of the land to obtain official recognition of that property, and for consequent registration”)

⁶⁴ Resolución Legislativa N° 26253. (1993)

⁶⁵ Article 7, Part II, C169 Indigenous and Tribal Peoples Convention. International Labour Organization. (1989).

⁶⁶ Article 19. United Nations Declaration on the Rights of Indigenous Peoples. (2007).

⁶⁷ Asociación Interétnica de Desarrollo de la Selva Peruana. (2015). *Experiencias de Titulación de Territorios Indígenas en la Amazonía Peruana* [PowerPoint slides]. Retrieved from <https://www.dropbox.com/s/2o7fea5vzlg7rez/EXPERIENCIA%20DE%20TITULACION%20C3%93N%20DE%20TIAP.compressed.pdf?dl=0>

⁶⁸ Inter-American Court of Human Rights. *Comunidad Mayagna (Sumo) Awas Tingni v. Nicaragua*, 2001.

on April 25, 2016 affirms this interpretation of indigenous peoples rights in Peruvian and international law as applicable in Peru.⁶⁹

The model represented by United Cacao, its subsidiaries, and its related companies – market financing for illegal deforestation which threatens indigenous peoples’ rights affirmed in Peruvian national law and international law -- must be stopped if Peru’s forest peoples and the forests they depend on are to survive. Indeed, the potential precedents set by AIM’s action on this case will have global relevance for stock exchanges, market actors, the global climate, and our planet’s population – including indigenous peoples and forest communities most directly affected by land and natural resource governance.⁷⁰

Local Peruvian organizations are speaking out about the lack of respect for indigenous peoples’ rights, violations of the law, and massive deforestation related to cacao and palm oil.^{71,72} Multiple news outlets in Peru, from the regional⁷³ to the national^{74,75,76,77,78,79} and the international^{80,81,82} level have described the conflict and controversy surrounding the expansion of companies connected to United Cacao’s CEO, Dennis Melka, across the country’s forests, including United

⁶⁹ Roundtable on Sustainable Palm Oil. (2016, April, 25). “Preliminary Decision- Forest People Programme Complaint against Plantaciones de Pucallpa, Peru.” Kuala Lumpur, Malaysia.

⁷⁰ Michael Valqui, Conrad Feather and Roberto Espinosa Llanos. (2015) “Revealing the Hidden: Indigenous Perspectives on deforestation in the Peruvian Amazon; the causes and the solutions.” *AIDSESP and Forest Peoples Programme*. Moreton in Marsh, UK.

⁷¹ Multiple Authors. (2016, March 29). *Organizaciones indígenas y Ongs alertan amenaza de deforestación por palma aceitera* [Press Statement]. < <http://www.aidesep.org.pe/organizaciones-indigenas-y-ongs-alertan-amenaza-de-deforestacion-por-palma-aceitera/> >

⁷² Segundo Consejo de Coordinación Ampliado, Asociación Indígena para el Desarrollo de la Selva Amazonica Peruana. (2015, September 4). Resolución 1, “Los pueblos indígenas declaran en “emergencia normativa” la palma aceitera en el Perú.” < <http://www.aidesep.org.pe/los-pueblos-indigenas-declaran-en-emergencia-normativa-la-palma-aceitera-en-el-peru/> >

⁷³ “En nuestras oficinas no obran expedientes ni tampoco solicitudes de cambio de uso y desbosque.” (2015, September 15). *Diario La Region*. Iquitos, Loreto, Peru. < <http://diariolaregion.com/web/en-nuestras-oficinas-no-obran-expedientes-ni-tampoco-solicitudes-de-cambio-de-uso-y-desbosque/> >

⁷⁴ “El laberinto de la palma: la selva en riesgo por vacíos legales.” (2015, 4 de setiembre). *El Comercio*. Lima, Perú. < <http://elcomercio.pe/peru/pais/laberinto-palma-selva-riesgo-vacios-legales-noticia-1838248> >

⁷⁵ “Ucayali: crimen ecológico en la selva peruana.” (2015, 30 de agosto). *Panorama*. < <https://www.youtube.com/watch?v=pg3luPV57fw&feature=youtu.be>>

⁷⁶ Prado, Elizabeth. (2015, 6 de setiembre). “Plantaciones de palma aceitera enfrentan en Ucayali a indígenas y agricultores.” *La República*. Lima, Perú. < <http://larepublica.pe/impres/politica/701445-plantaciones-de-palma-aceitera-enfrentan-en-ucayali-indigenas-y-agricultores> >

⁷⁷ Rivadeneyra, Dánae and Riestra, Esteban Valle. “Los comebosques.” (2013, setiembre). IDL Reporteros. <<https://idl-reporteros.pe/los-comebosques/>>

⁷⁸ Pighi Bel, Pierina. “El financista norteamericano acusado de deforestación en el Perú.” (2015, abril). Ojo Público. <<http://ojo-publico.com/44/el-financista-norteamericano-acusado-de-deforestacion-en-el-peru>>

⁷⁹ “Amazonía Arrasada.” (2016, marzo). Convoca. <<http://convoca.pe/especiales/AMAZONIA/>>

⁸⁰ Fraser, Barbara. “The African palm oil frontier expands deeper into the Peruvian Amazon, impacting indigenous communities’.” (2016, marzo). Mongabay. <<https://news.mongabay.com/2016/03/the-african-palm-oil-frontier-expands-deeper-into-the-peruvian-amazon-impacting-indigenous-communities-territories/>>

⁸¹ Hill, David. “Can Peru stop “ethical chocolate” from destroying the Amazon?” (2015, abril). The Guardian. <<http://www.theguardian.com/environment/andes-to-the-amazon/2015/apr/17/can-peru-stop-ethical-chocolate-destroying-amazon>>

⁸² Lang, Chris. “Dennis Melka: exporting deforestation from Sarawak to Peru” (2015, setiembre). REDD Monitor. <<http://www.redd-monitor.org/2015/09/26/dennis-melka-exporting-deforestation-from-sarawak-to-peru/>>

Cacao's direct subsidiary, Cacao del Peru Norte. International outlets like the Guardian have also covered the role of AIM financing, via United Cacao, in the ongoing illegal deforestation in Peru.⁸³

Funds raised on international stock exchanges should not be available for companies operating in violation of the law, threatening the rights and resources of indigenous peoples, and causing serious environmental damage.

We call upon AIM and UK market regulators to immediately undertake a robust and transparent investigation into United Cacao, its subsidiaries, and related companies that have received financing from United Cacao for violations of current AIM Rules and AIM's UK enabling law(s), and sanction them for any violations found. This investigation must include an examination and publication of the beneficial ownership structure of United Cacao, its subsidiaries, and related companies, as well as information about any links to other plantation, agro-commodity trading, or retail companies.

Given the egregious and on-going non-compliance with AIM rules, we believe United Cacao and its CEO should be suspended and barred from trading on the exchange. Information about the investigation and any subsequent sanctions must be published in a timely manner, in order for these actions to have credibility with the public. Additionally, AIM should examine and amend its rules to explicitly prevent companies operating in violation of the law in countries of operation to raise funds on the exchange. Finally, given that much of the information about United Cacao's subsidiary's actions in Peru has been public for at least two years, AIM and the London Stock Exchange must exert more active oversight of traded companies to ensure that funds being raised are not used to finance actors violating AIM Rules or national or international laws.

Sincerely,

Peruvian Organizations

Asociación Agraria de Fernando Lores, Loreto
Asociación Civil El Puente de la Amistad – ACELPA, Loreto
Asociación de Ganaderos de Fernando Lores, Loreto
Asociación Interétnica de Desarrollo de la Selva Peruana - AIDSESEP
Asociación Nacional de Centros de Investigación y Promoción Social y Desarrollo - ANC
Asociación Paz y Esperanza, San Martín
Asociación Pro Derechos Humanos - APRODEH
Asociación Productores Agropecuarios, Ecológicos y Piscicultores de Padre Abad - ASHPAZETA
Asociación ProPurus
Centro de Conservación, Investigación y Manejo de Áreas Naturales - Cordillera Azul (CIMA-Cordillera Azul)
Centro de Estudios en Solidaridad con América Latina
Centro de Investigación Social y Educación Popular – ALTERNATIVA
Centro de la Mujer Peruana Flora Tristán
Centro de Políticas Públicas y Derechos Humanos - Perú EQUIDAD
Centro para el desarrollo del indígena amazónico - CEDIA
Comité contra Incendios de Bajo Rayal Nueva Requena - Ucayali

⁸³ Collyns, Dan. (2015, April 7). "Head of London-listed company linked to illegal clearing of Peru rainforest." *The Guardian*. London. < <http://www.theguardian.com/environment/2015/apr/07/head-of-london-listed-company-linked-to-illegal-clearing-of-peru-rainforest> >

Comité de Defensa del Agua de Iquitos
Comunidad Campesina Kichwa San José Obrero
Consejo Étnico de los Pueblos Kichwa de la Amazonía - CEPKA
Coordinadora de Desarrollo y Defensa Pueblos Indígenas de la región San Martín - CODEPISAM
Coordinadora Regional de Pueblos Indígenas AIDSESP Atalaya - CORPIAA
Derecho Ambiente y Recursos Naturales - DAR
ECO REDD
Federación de Comunidades Nativas del Ucayali - FECONAU
Federación de Comunidades Nativas Yine Yane, Río Urubamba - FECONAYY
Federación Regional Indígena Shawi de San Martín (FERISHAM)
Foro Ecológico del Perú
Forum Solidaridad Perú
Fomento de la Vida – FOVIDA
ILLA Centro de Educación y Comunicación
Instituto Chaikuni
Instituto de Defensa Legal – IDL
Instituto Peruano de Recursos Naturales
Kené, Instituto de Estudios Forestales y Ambientales
Organización Regional AIDSESP Ucayali - ORAU
OXFAM, Perú
Proética - Peruvian Chapter, Transparency International
Red Ambiental Loreana - RAL
Red Nacional de Promoción de la Mujer logrando la equidad, igualdad de género entre hombre y mujer (Ucayali Chapter)
Red Peruana por una Globalización con Equidad - RedGE
Servicios Ecosistémicos Perú - sePeru
TierrActiva Perú
Pastoral de la Tierra del Vicariato Apostólico de Yurimaguas

European Organizations

Asociación Pro Derechos Humanos de España - APDHE
Broederlijk Delen, Belgium
CATAPA, Belgium
Flemish Association for North-South Cooperation - 11.11.11
Commission Justice et Paix, Belgium
CORE Coalition
Environmental Investigation Agency - UK
FERN
Forest Peoples Programme - FPP
Global Witness
Plataforma Perú (Catalunya)
Peru Kommittén för Mänskliga Rättigheter, Sweden

United States Organizations

Amazon Watch
Center for International Environmental Law
Environmental Investigation Agency - US
Forest Heroes
Friends of the Earth - US
Rainforest Action Network

Individuals

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