



Mustafa Laz
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USA

Also sent via email to: ir@smarholdingsinc.com and smart@smarholdingsinc.com

15 May 2014

Dear Mr. Laz,

We are writing to you in relation to Smart Holdings' palm oil activities. It has been brought to our attention that you may be looking to invest in Cameroon and the wider Congo Basin.

Greenpeace campaigns to halt deforestation and promote responsible development worldwide. As part of our global work, we are monitoring the expansion of industrial palm oil projects throughout the Congo Basin and in Cameroon.

In recent years, we have focused great attention on the destruction stemming from the Herakles Farms project in the Southwest of Cameroon for the following reasons:

- The project is planned in an area of High Conservation Value (HCV) and will destroy the habitat of endangered wildlife¹;
- Herakles has failed to follow best practices in obtaining free prior and informed consent of local communities² and is reported to have resorted to "intimidation and corruption" to acquire land³;
- Herakles has been cited for illegal logging by the European Union- funded Independent Forest Observer⁴ and continued to clear forest during a suspension by the Ministry of Forestry and Wildlife⁵;
- The company's contract violates Cameroonian and international human rights law.⁶

The Herakles Farms project is a toxic one that should in no way be replicated by other investors in the region.

Through our monitoring in the region Smart Holdings' interest in developing or purchasing a palm oil project has been brought to our attention.

¹ <http://m.greenpeace.org/international/Global/international/briefings/forests/2013/Waltert-Report-Herakles-June-2013.pdf>

² <http://www.forestpeoples.org/sites/fpp/files/publication/2013/07/fpp-fpic-herakles-final-july-18-web.pdf>

³ This is according to a report by Cameroon's Ministry of Forestry and a German-funded program called the Programme for the Sustainable Management of Natural Resources (PSMNR).
http://cameroonveritas.files.wordpress.com/2013/04/03_01_2013_report-fact-finding-mission-sgsoc.pdf

⁴ http://www.oaklandinstitute.org/sites/oaklandinstitute.org/files/Independent_Observer_Report--SGSOC_Official.pdf

⁵ <http://www.greenpeace.org/international/en/news/Blogs/makingwaves/evidence-of-illegal-logging-by-herakles-farms/blog/46584/>

⁶ See both http://cedcameroun.org/images/2013_RapportsCED/201310_en.pdf and <http://www.relufa.org/documents/Herakles13THLabour.pdf>

The palm oil industry is at a critical juncture. While investors and palm oil industry players are eyeing Africa for expanding large-scale plantations, palm oil production is one of the main causes of deforestation, related greenhouse gas emissions and often leads to conflict with local communities with regards to land rights and their access to land and forest resources on which they are highly dependent. We are writing to ensure that Smart Holdings adopts the necessary safeguard policies to respect the rights of local communities and the environment.

To be clear, Greenpeace is not against palm oil, but we stand for palm oil to be produced in a responsible way--without leading to deforestation, threatening endangered wildlife, and without fuelling land use conflicts or undermining people's rights and livelihoods.

Thus, we are calling on investors and companies to adopt the policies explained below:

- The Palm Oil Innovation Group (POIG) was created as a collaboration between agro-industry and NGOs to demonstrate that responsible palm oil development is possible (please find a copy of the POIG Charter in the footnotes). POIG provides strong guidance for responsible palm oil by building on the RSPO's certification scheme with additional requirements to ensure that there is a supply of traceable palm oil, free from forest destruction and human rights abuses, and compliant with land and food rights and transparency and anti-corruption measures.⁷ All large scale palm oil plantations in Cameroon, including any by Smart Holdings should follow the POIG guidelines.
- You may already be informed of Greenpeace's demands that palm oil companies and investors adopt 'No Deforestation Policies' and that companies outline and respect timely implementation actions. Various companies have already made such commitments, moving towards eliminating forest destruction and social havoc from their supply chains. These companies are at various stages of implementing these commitments, but among them are industry giants such as Golden Agri-Resources (GAR)⁸ and Wilmar International⁹, as well as several consumer products companies including Kellogg's, L'Oréal, Unilever, Ferrero and Nestlé.

Given the dynamic environment around palm oil production and the increasing global demand for deforestation-free palm oil, we request that you make public for all stakeholders, including Greenpeace, any and all plans Smart Holdings has for new investment in the Congo Basin (no matter how prospective), including the purchase of existing plantations, the rehabilitation of abandoned plantations, and/or the expansion of existing plantations.

Greenpeace also requests clarification about Smart Holdings' potential operations in Cameroon / Congo Basin, including the social and environmental safeguard policies that will guide your operations, as well as implementation actions to ensure the respect of your policies on the ground.

Any environmental management plan or other action plan that can provide clarification to the guidelines you will follow on the ground in your plantations is requested

⁷ The Palm Oil Innovation Group Charter:

<http://www.greenpeace.org/international/Global/international/photos/forests/2013/Indonesia%20Forests/POIG%20Charter%2013%20November%202013.pdf>

⁸ More information about GAR's Forest Conservation Policy and Zero Deforestation announcement:

<http://www.greenpeace.org/usa/en/media-center/news-releases/GARs-No-Deforestation-policy-to-now-apply-to-all-palm-oil-suppliers/>

⁹ Wilmar's Zero Deforestation, Zero Peat, Zero Exploitation Policy;

<http://www.wilmar-international.com/wp-content/uploads/2012/11/No-Deforestation-No-Peat-No-Exploitation-Policy.pdf>

We are convinced that you will agree that transparency, including the public availability of documents and information, is the backbone of responsible business, and is critical to inspiring public confidence and avoiding reputational risk. Smart Holdings' sharing of information about its current and prospective operations with all relevant stakeholders will help achieve just that.

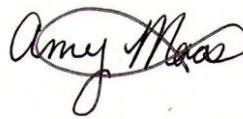
In the interest of transparency, we will publish this letter online and will continue to publicly communicate with all stakeholders in the Cameroon and the Congo Basin with regards to information Smart Holdings has been made available.

We look forward to your response, which we would appreciate receiving within one month (no later than 15 June 2014). We are always available if you have any questions or would like any further information. Please do not hesitate to email or call.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Sylvain Tardy', with a stylized flourish at the end.

Sylvain Tardy
Programme Director
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sylvain.tardy@greenpeace.org

A handwritten signature in black ink, appearing to be 'Amy Moas', written in a cursive style.

Amy Moas, Ph.D.
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