

AB Lifosa Juodkiskio str. 50 LT-57502, Kedainiai Lithuania Att: General Director Jonas Dastikas

Fax +(370 347) 66 166 E-mail: <u>info@lifosa.com</u> 27 August 2013

Dear Mr Dastikas,

Western Sahara Resource Watch is writing to you regarding Lifosa's continual imports of phosphate rock from the Bou Craa mines in occupied Western Sahara. It would appear that the company is today receiving a consignment of over 40.000 tonnes and that another delivery is expected to arrive early September; the latter would be seventh shipment of illegally excavated material the company has acquired this year.

In a letter to us dated 20 July 2012, Lifosa expressed its commitment to the principles of corporate social responsibility (CSR) and its willingness to meet with representatives of the Saharawi people to discuss the matter. A more concrete proposition asking WSRW to set up a meeting with the Saharawi representation (the Frente Polisario) and act as a mediator was received on 30 January 2013. Our subsequent proposal to facilitate a dialogue with the Polisario in March in Brussels, sent to Ms Bucinskiene and Mr Juozas Baniota on 8 February this year, was left unanswered. We cannot see having received any alternative suggestion since.

We still welcome Lifosa's stated intention to put its social policy views on respecting human rights into practice by engaging in dialogue with the Saharawi people. Yet, in the meantime, we find it regrettable to observe the company's incessant and large purchases of phosphate rock from the very same territory that the Saharawi have been driven out of, or remain as victims of severe and gross human rights violations committed by an illegitimate and illegal occupying regime.

Ever since Global Compact's decision to delist Lifosa for failing to communicate with civil society, and in view of the firm's apparent interest to redress the situation, WSRW has refrained from publishing updates on the continued imports, nor has the organisation shared this information with ethical investment firms or indeed Global Compact. On the contrary, we have informed Global Compact on Lifosa's intention of talking the matter through in an open discussion with the Saharawi people.

Though we are still willing to assist Lifosa in its initial plans to implement its CSR goals, the company's massive imports so far in 2013 and lack of action on what we consider to be an issue of great importance, compels us to review our policy vis-à-vis Lifosa. For your information, we have today published a short story on our website regarding the large Lifosa imports during this year. We call on the company to immediately terminate its imports from the Bou Craa mines in occupied Western Sahara.



At the same time, we again want to underline our appreciation for Lifosa's commitment to take the matter seriously.

We look forward to hearing your views on the matter.

Best regards,

Sara Eyckmans Coordinator Western Sahara Resource Watch

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