

Innophos Holdings, Inc.
Att: CEO Randy Gress

Fax: 1-609-8600138



Brussels, 15 October 2010

Regarding Innophos' imports from occupied Western Sahara

Dear Sir,

We are writing concerning the imports of phosphate rock that your firm is undertaking from occupied Western Sahara, and would like answers to a few questions regarding the trade.

We would like to inform you that purchases from occupied Western Sahara are highly unethical and contribute to undermining both international law and the UN's peace efforts in the territory.

Most of Western Sahara has been occupied by Morocco since 1975. However, to this day, no state or international organization recognizes Morocco's sovereignty over Western Sahara. The United Nations have repeatedly stated that the occupation must end and that the Saharawi population has to be allowed to freely exercise their right to self-determination through a free, fair and transparent referendum.

The occupation of Western Sahara has resulted in enormous suffering and deprivation for the Saharawi people, who are the rightful owners of the land and its natural resources. Approximately 165,000 Saharawi are languishing in refugee camps in the inhospitable Algerian desert since 1975, where they have to survive on humanitarian aid. The Saharawi population remaining in areas under Moroccan control is subjected to grave human rights violations, such as torture, forced disappearances and arbitrary detention.

Although there is no trade embargo implemented by the UN Security Council, the UN has established that Morocco has no right to extract and sell Western Sahara's resources, if carried out in the manner it is today.

It is our firm conviction that the firms that import phosphates from Western Sahara contribute in supporting the continuation of the Moroccan presence in the area. Money from phosphate extraction and trade goes directly to OCP, the Moroccan state-owned company that extracts the phosphates in Western Sahara. This kind of support makes Morocco less inclined to contribute to finding a solution to the occupation, and makes delaying tactics and attempts to profit from the existing situation more attractive. The phosphate trade in Western Sahara therefore increases the risk of further armed conflict, destabilization and suffering in the region.

Morocco's control and exploitation of Western Sahara also hurts the Saharawi's labour rights and their economic development. According to a report by the French organization France

Libertés - Fondation Danielle Mitterrand, the Saharawi have been systematically marginalized from the phosphate industry in Western Sahara. In 1968, before Morocco took control over the phosphate mines, all 1600 workers in the industry were Saharawi. Today, the latest figure we have, is that 1568 of the 1734 workers are Moroccan settlers who have illegally been moved into the territory.

A substantial number of firms from around the world have realized their ethical obligations and have stopped importing natural resources from occupied Western Sahara. For example, Yara, the world's biggest fertilizer company, terminated the imports to Norway in 2005, for ethical reasons. They have stated that they do not wish to import from the territory until the conflict is solved. A number of shipping firms which previously transported this phosphate have also stopped its involvement.

In addition to ethical concerns, Innophos should know that its involvement contributes in supporting a violation of international law and the rights of the Saharawis.

The International Court of Justice in its 1975 Western Sahara Advisory Opinion established that Morocco has no legal claim to Western Sahara. That same opinion affirmed that the Saharawi people has a right to self-determination, which includes, inter alia, the right of permanent sovereignty over its natural resources. Permanent sovereignty over natural resources is a customary principle of international law. Numerous resolutions of the United Nations Security Council and General Assembly and a legal opinion by the former UN Under-Secretary General of Legal Affairs, on 29 January 2002 affirm this position (www.arso.org/Olaeng.pdf). Because the Saharawi have not been able to exercise their right to self-determination, and because they have not been properly consulted, trade with Morocco of natural resources emanating from Western Sahara is a violation of the Saharawi's right to permanent sovereignty over their resources.

The right to self-determination is a human right, established through numerous human rights conventions, as well as a number of resolutions in the UN General Assembly. More than 100 UN General Assembly and Security Council resolutions specifically refer to the right to self-determination of the Saharawi people.

We point to the fact that WSRW made Innophos aware of the unethical trade through news coverage in La Jornada, 21 May 2006.

<http://www.jornada.unam.mx/2006/05/21/index.php?section=sociedad&article=041n1soc>

We also take note of the repeated lobby efforts that you fund the lobby firm L&P Gates with the purpose of influencing the "United States foreign policy and trade relations with Morocco that may effect economic conditions in Western Sahara".

In April and May this year, we observed that your firm received two large cargoes of phosphate from the occupied territory, on the vessels Jalma Topic and Oxygen.

We urge Innophos to immediately demonstrate its attachment to international legality, human rights and basic standards of corporate social responsibility by terminating the trade.

Furthermore, we would like a clarification from Innophos to the following question:

- 1) When does Innophos' long term agreement with Moroccan state phosphate company OCP for purchase of phosphates with Western Sahara expire?
- 2) How many tonnes of phosphates from Western Sahara has Innophos received in the years 2008, 2009, 2010 under this agreement?
- 3) Has Innophos on any occasion, since the first imports were made, ever consulted representatives of the Saharawis to investigate whether the imports are to the wishes or interests of the Saharawis?

We will be more than happy to provide you with any additional information that you may require to study this matter more closely, and look forward to a reply to our questions.

Looking forward to hear from you,

Sincerely yours,

Sara Eyckmans
International coordinator
Western Sahara Resource Watch
coordinator@wsrw.org
(+32) 475 458695
www.wsrw.org