WSRW WESTERN SAHARA RESOURCE WATCH

Hitachi ABB Power Grids Brown-Boveri Strasse 5 Zürich 8050 Switzerland

> Brussels 18 August 2020

To the attention of Mr Claudio Facchin Chief Executive Officer of Hitachi ABB Power Grids

Re. Hitachi ABB Power Grids and operations in occupied Western Sahara

Dear Mr Facchin,

We at Western Sahara Resource Watch are privileged to present you with our compliments. We hope this message finds you doing well in the current phase of the COVID-19 crisis.

We are reaching out to follow-up on a letter sent by our partner organisations – Emmaus Stockholm, Terre des hommes Schweiz and Friends of Western Sahara Japan – to Hitachi in December 2019, regarding a particularly concerning aspect of the company's take-over of ABB's power grids sector: ABB's delivery of a hybrid substation to the Aftissat wind farm in Boujdour, occupied Western Sahara.

Hitachi at the time stated that it could not comment, as the acquisition talks were still ongoing. We understand that the process has been completed, with the establishment of Hitachi ABB Power Grids.

As such, we wish to raise the questions contained in aforementioned letter again, as they remain valid yet unanswered. Furthermore, our organisation is in the process of finalising two reports that may include a reference to your company due to its connection to the contentious Aftissat wind farm: a report highlighting the involvement of Swedish businesses in occupied Western Sahara will be published in October 2020, and a report on Morocco's renewable energy projects in the territory will be published during the winter months.

To recapitulate: in its press release of July 2017, ABB announced it would build the hybrid substation in "southern Morocco".¹ The company later confirmed that the exact location is however in Western Sahara, a territory that largely remains under Moroccan military occupation since 1975. ABB refused to answer questions by Swiss media regarding its potential further involvement in this territory south of Morocco.²

Western Sahara, often referred to as the last colony in Africa, is a Non-Self-Governing Territory that is still to conclude the process of decolonization under UN auspices. In blatant violation of the Opinion of the International Court of Justice – establishing no ties of sovereignty between Morocco and Western Sahara - and Resolutions of the UN Security Council, Western Sahara was invaded in 1975 by Morocco. Morocco went on to annex large parts of the territory, until the UN was able to broker a peace agreement in 1991 between the two warring parties – Morocco and the Western Sahara liberation movement Frente Polisario.

To date, Western Sahara is partitioned by a 2500-kilometer military fortified wall, surrounded by some of the world's largest minefields, erected by Morocco. Half the people of Western Sahara, the Saharawis, have fled their homeland, and survive in dismal circumstances in refugee camps in the Algerian desert. The Saharawis still living in Western Sahara suffer the yoke of a brutal occupation: the grave human rights violations

¹ http://www.abb.com/cawp/seitp202/0298d3f659e53aaac12581560022ae7d.aspx

² <u>https://www.nzz.ch/wirtschaft/abb-und-lafarge-holcim-umstrittene-geschaefte-in-der-westsahara-</u>ld.1438037

committed by the Moroccan authorities against Saharawis are well documented by reputable institutions and organisations such as the UN High Commissioner for Human Rights, Amnesty International, Human Rights Watch, etc. The direness of their situation has already resulted in calls for resumed armed conflict, particularly among younger Saharawi generations who are losing faith in the peacemakers of the world.

Morocco has huge plans to capitalise on the wind energy potential of the two-thirds of Western Sahara that it holds under illegal military occupation. Calculations by Western Sahara Resource Watch suggest that by 2020, a staggering 40% of Morocco's wind production will in fact take part on occupied land. These activities and involvement of foreign companies are a relevant factor in the stalemate of the peace process under supervision of the UN.

Since 2016, the Court of Justice of the European Union has issued four clear judgments concluding Western Sahara to be a territory that is "distinct and separate" from any country in the world, including Morocco. The Court set the legal requirement of obtaining the consent of the people of Western Sahara for economic involvement in the territory to be lawful. As such, the Court follows the UN Treaty bodies which have also stressed the need for "prior, free and informed consent" of the Saharawi people to any developmental projects and extraction operations in Western Sahara, when reviewing Morocco's performance under the International Covenants.

In February 2018, the High Court of South Africa pronounced itself on a cargo of phosphate rock shipped from the territory and held under detention in Cape Town since 1 May 2017. The Court stated that Morocco had no ownership over and thus no right to sell the phosphate rock, of which "the Saharawi Arab Democratic Republic is the owner". The Frente Polisario has since brought legal action against two private companies (in Spain and in France) and threatens more legal proceedings against economic operators that violate the Saharawi people's right to self-determination.

Investors are becoming increasingly sensitive with regard to companies' involvement in the protracted conflict in Western Sahara. In recent years, companies that are associated to the phosphate trade or oil industry have suffered substantial divestments by private investors and government pension funds. The investment community is progressively turning its attention to the renewable energy industry and related human rights abuses – of which Western Sahara is a prime example.

We'd be grateful for your answers to the following questions <u>before 10 September 2020</u>, allowing us to include your position and views in our upcoming reports.

- 1. What is Hitachi ABB Power Grids's policy concerning projects in Western Sahara?
- 2. What actions is Hitachi ABB Power Grids planning to undertake in relation to the project it has acquired in Western Sahara?
- 3. Does Hitachi ABB Power Grids plan to realize more projects in Western Sahara?
- 4. What steps will Hitachi ABB Power Grids take to obtain the consent of the people of Western Sahara if it is to undertake further projects in Western Sahara?

We thank you beforehand for your consideration of our letter and look forward to your response. Naturally, we remain at your disposal should you have any further questions.

Sincerely,

Sara Eyckmans Coordinator Western Sahara Resource Watch