

Belships ASA
Lilleakerveien 6D, 0283 Oslo
Norway

Att: Lars Kristian Skarsgård, CEO



Oslo, 22.02.2022

RE. YOUR COMPANY'S PARTICIPATION IN THE TRANSPORTATION OF PHOSPHATE ROCK FROM OCCUPIED WESTERN SAHARA

Dear Mr. Skarsgård

We have the honour to present you with our compliments. We are writing with regard to Belships ASA's role in relation to a shipment of phosphate rock from occupied Western Sahara.

We refer to your company's previous communication with the Norwegian Support Committee for Western Sahara: Our letter to Belships on 10 June 2017, and response from former CEO Ulrich Müller to us on 13 June 2017.

That earlier communication related to the June 2016 shipment of phosphate rock to Vancouver onboard the vessel *Ultra Rocanville*. "As a technical manager, we are totally in the backseat when it comes to commercial decisions. Our responsibility is limited to crewing, maintenance, class contact etc", Mr. Müller explained to *Finansavisen* 20 June 2017.

"Bulk vessels under our commercial management have never called in Western Sahara. We have no intention to make such calls in the future, and we will to the best of our ability follow the advice from the [Norwegian] government", Mr. Müller told.

These days, our partner association Western Sahara Resource Watch (WSRW) is in the process of writing an annual update report on the 2021 phosphate exports from occupied Western Sahara. In the preparation of this work, we have come across a new Belships shipment: The voyage of *Belnippon*, departing occupied Western Sahara in November 2021 with an estimated 61,000 tonnes of phosphate rock, destined for the port of Coatzacoalcos, Mexico.

Belships is the operator of the vessel. We find the shipment deeply regretful, particularly in light of your company's promises to us and to *Finansavisen* in 2017.

The United Nations consider Western Sahara to be a Non-Self-Governing Territory without an administering power in place. As stipulated by the International Court of Justice, and repeated in five consecutive rulings by the European Court of Justice, Morocco has no sovereignty over or international mandate to administer the territory. Nevertheless, Morocco continues to militarily control three-quarters of the territory, including the Bou Craa phosphate mines which are operated by Phosboucraa, a subsidiary of the Moroccan state-owned company Office Chérifien des Phosphates, OCP SA.

Incentivized by its exploitation of the territory's resources, Morocco has little interest to genuinely take part in the UN-mediated peace process. Meanwhile, the lingering conflict continues to have a high human and humanitarian cost: over 170,000 Saharawis are stuck in refugee camps in neighbouring Algeria, surviving in harsh desert conditions and dwindling humanitarian aid. Saharawis who live under the yoke of Morocco's occupation are victims of serious human rights violations that have been reported by the UN Human Rights Committee, in addition to credible international organisations such as Human Rights Watch, Amnesty International, and others.

You can learn more about the conflict on the NRK radio show Drivkraft, 21 February 2022: <https://radio.nrk.no/serie/drivkraft/MKAK05002922>

Not only is this a matter of international law and ethics, but also of real financial risk for the involved companies. On 1 May 2017, the bulk vessel *NM Cherry Blossom*, containing a cargo of 54,000 tonnes of Western Sahara phosphate rock was detained in the port of Port Elizabeth, South Africa, while the vessel was on its way to New Zealand. In February 2018, the South African High Court ruled that the Saharawi Republic, the SADR, was the owner of the entire cargo aboard of the *NM Cherry Blossom*, and that the ownership was never lawfully vested in OCP SA or Phosboucraa, who were not entitled to sell the phosphate rock. From what WSRW has obtained from court records, the firm Furness Withy Chartering alleges that the costs of the vessel's detention amount to US \$10.300 per day, during the 370 days of detention.

Both the Norwegian government and the Norwegian Shipowners' Association advice against the kind of transports Belships has now participated in.

In view of the above, could you please clarify the following issues:

1. What measures were taken in 2017 to prevent that your company be involved in such trade in the future?
2. How does Belships explain that the 2021 shipment could take place, in view of the declaration given to *Finansavisen* in 2017?
3. Did your company seek the consent of the representation of the people of Western Sahara prior to the 2021 transport of phosphate rock from the territory?
4. Does your company currently have plans or contracts for future transport of phosphate rock from Western Sahara?

We are convinced that it is not in the interest of your company to be associated with the exports of natural resources from Western Sahara. Accordingly, we ask your company to refrain from undertaking such shipments again in the future.

We'd be grateful for your response before 3 March 2022. Our upcoming report on the Western Sahara phosphate trade of 2021 will be published in April 2022, and is part of a series called 'P for Plunder'. Please find previous editions of that report here: <https://wsrw.org/en/news/the-phosphate-exports>

Please do not hesitate to contact us should you require any further information on the above-raised issue. We thank you in advance for your consideration, and look forward to your response.

Yours sincerely,

Erik Hagen
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