

For the attention of:
Mr. Hengde Qin, CEO, and Mr. Harry Yang
Executive directors
Sinofert Holdings Limited

22 January 2019, Brussels

Re: Sinofert imports from occupied Western Sahara

Dear Sirs,

Western Sahara Resource Watch is privileged to present you with our compliments. We are writing to enquire about Sinofert's recent import of phosphate rock from occupied Western Sahara.

The cargo was on board the Liberia-flagged bulk vessel *Trade Resource* (IMO 9693410), arriving to the port of Lianyungang, China, on 28 November 2018. We expect that approximately 79,000 tonnes were unloaded for the use of your company. The rock originates from the Bou Craa mine in Western Sahara, and was shipped from the harbour of El Aaiún (also: Laayoune) on 19 October 2018.

We would like to inform you that your company's involvement in the controversial trade will appear in an article on our website on 27 January 2019, as well as in our annual report on phosphate trade from Western Sahara, 'P for Plunder 2018', in the month of March/April 2019. We hereby invite you to clarify and comment on the matter, so we can include it in our website article/report.

As you may know, Morocco illegally annexed the territory by military force in 1975 in violation of the basic right to self-determination of the people of Western Sahara. This military invasion was condemned by the United Nations General Assembly and to this day, Western Sahara remains listed by the UN as a Non-Self Governing Territory, pending a decolonization process.

In line with the International Court of Justice, the Court of Justice of the European Union has outlined, in four separate rulings, that the Government of Morocco does not have any legal basis, sovereignty or international mandate to administer Western Sahara. The recent court rulings of the Court of Justice of the European Union have also made it clear that in the event of an entity undertaking business in Western Sahara, consent must be obtained from the people of Western Sahara. This requirement of prior, free and informed consent from the people of the territory to the management and taking of their natural resources was also highlighted by the UN Human Rights Council in 2016, and by the UN Committee on Economic, Social and Cultural Rights in 2015.

The principles outlined by the Court of Justice of the EU were also applied in a ruling by the High Court of South Africa in 2018 relating to the case of *NM Cherry Blossom*, a bulk vessel that was detained for carrying stolen phosphates from the occupied territory. The South African High Court found that the Moroccan exporter had no right to sell minerals from the territory, nor that the importer had the right to acquire them.

We'd be grateful if you could provide answers to the following questions from our association:

1. What was the volume imported from Western Sahara by Sinofert Holdings on board the *Trade Resource*?
2. As a corollary of the internationally recognized right to self-determination of the people of Western Sahara, and given the legal requirement of obtaining the prior, free and informed consent of the people of Western Sahara with regard to activities or projects in their land –

as put forth by several UN Treaty bodies and the EU Court of Justice – what steps, if any, did Sinofert take to obtain the consent of the people of Western Sahara through their political representative, the Polisario Front, to import such goods from the territory?

3. We have noticed a press release on Sinochem’s website as of 31 October 2017, clarifying that OCP and Sinochem entered into a 5-year (2017-2021) contract for supplies of phosphate rock, to be executed by Sinofert Holdings Ltd. https://wsrw.org/files/dated/2019-01-18/sinochem_website_18.01.2019.jpg Does this agreement specify which of the OCP controlled mines (in Morocco or in occupied Western Sahara) will the phosphate rock be sourced from?
4. If the exact mine is *not specified* in the 5-year supply contract, will Sinofert Holdings clarify to OCP that it can only receive rock from mines located within Morocco’s internationally recognized borders?
5. If it is *specified* in the aforementioned supply contract that Sinofert will receive Bou Craa rock, how large a volume is Sinofert expecting to receive from the occupied territory?
6. If the mentioned imports of phosphate rock from Bou Craa is regulated under a different arrangement with OCP than the mentioned 5-year contract, what volume is expected to be received under such contract, and when does it expire?
7. The vessel *Kiran Adriatic* (IMO 9653185) departed the harbour of El Aaiún on 20 January 2019, and is registered to arrive “China”. Is that vessel shipping phosphate rock for Sinofert, and what is its volume?

We are convinced that it is not in the interest of Sinofert Holdings or the Sinochem Group to become associated with the continued colonization and occupation of Western Sahara.

Numerous international investors have found such practice not to be in line with basic principles of Corporate Responsibility. (This includes current owners of your Sinofert Holdings.) For this reason, all stock exchange registered companies in the world that have been involved in such purchases have ended this practice after their involvement was known.

We look forward to a quick reply, which we could include in our planned news post on our website www.wsrw.org on 27 January, as well as in our upcoming report that we send to the investor community.

We look forward to hearing from you,

Sincerely

Erik Hagen
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www.wsrw.org

Copy:

- Sinochem Group
- Nutrien, Mr. Chuck Magro, President and CEO
- The Permanent Mission of the People’s Republic of China to the United Nations