

## OCP Group disputes the decision of the South African court to hear the case on its merits

*Casablanca, June 15<sup>th</sup>, 2017 / In response to a motion brought by the Polisario Front, a South African court has declared itself competent to hear the case on its merits. OCP Group is outraged by this decision which hides behind the "complexity" of the matter underpinning the ongoing international process in stark contrast with the Panamanian judgment that found that it did not have jurisdiction as deciding on this question would require the court to rule on a political matter. OCP Group categorically denies the applicants' unfounded and purely political allegations. This decision is in breach of well-established principles under international law. OCP Group also denounces the Polisario Front's attempt to misuse South African and Panamanian courts for political and propaganda purposes.*

On May 1<sup>st</sup>, 2017, a South African judge ordered the interim arrest of a phosphate shipment from Phosboucraa, which resulted in its carrying vessel being temporarily detained at Port Elizabeth. This *ex parte* arrest order stemmed from a motion addressed to the South African judge by the Polisario Front based solely on unfounded political allegations fueled by the separatist activism of the self-proclaimed "SADR," an entity that is neither recognized by the United Nations nor by the vast majority of the international community.

In its June 15<sup>th</sup> decision, the South African court referred the case to trial for a judgment on the merits. It justifies its decision by noting that though it is "*mindful of the complexity of the issues raised in this matter and the obvious fact that the issues to be addressed in achieving a resolution of the international disputes in relation to the territory of Western Sahara are matters that concern the international community at the highest level [...] this court is faced not with the broader political question but with the rather more prosaic question as to the regulation of its procedure to enable litigating parties access to a judicial forum in which they can resolve a legal dispute.*"

This decision does not address the substance or the merits of the claims, and directly contradicts and damages the internationally supported United Nations negotiating process by hiding behind the very complexity of the issue that the process seeks to resolve. Justice is not served by sending the case to a decision on the merits. Rather, further harm is inflicted on UN Security Council efforts to seek a mutually acceptable political solution. The Polisario front, its sponsors and proxies have embarked on a path whose only effect is to harm the interests of the local community that they claim to defend.

OCP Group deplores the fact that a local court is being used by the applicants as a forum for settling a political matter which falls squarely under the purview of the UN Security Council, in defiance of the ongoing negotiations supported by the international community under the auspices of the UN Secretary-General. By instigating this lawsuit just one day after the UN Security Council's resolution and the Secretary-General's call to resume talks in good faith and without preconditions with the support of the international community, the Polisario Front displays its inclination to undermine the proper conduct of the United Nations Security Council process and hamper the socioeconomic development of the region.

OCP Group conducts its operations and activities in full compliance with international law and in particular the applicable United Nations framework on exploitation of natural resources.

OCP Group categorically contests the decision of the South African court which has no jurisdiction to rule on the applicability of Moroccan laws relating to the exploitation of natural resources in the region. OCP believes that this decision not only disregards established principles under international law as well as the ongoing UN process, but also importantly impedes international trade in South Africa. OCP Group denounces this decision, with no legal basis, to refer the case for a judgment on the merits.

As the region's leading private employer, OCP Group is a key actor in the economic development of the region.

Phosboucraa (which represents 1.6% of OCP Group's phosphate reserves) employs nearly 2,200 people, 76% of whom are local. As a wholly-owned subsidiary of OCP Group, Phosboucraa actively promotes local human, industrial, and economic development, namely through the systematic reinvestment of the entirety of its profits in the region itself. Notable efforts in this regard include the construction of sustainable infrastructures in the region and considerable investments in education and in the environment.

OCP Group also fosters socioeconomic development in the region through its strict standards with respect to social responsibility and its operations meet and exceed both applicable Moroccan laws as well as the most

stringent UN standards. As an international leader committed to global food security and agricultural development in Africa in a South-South partnership approach, OCP Group attaches a considerable importance to the sustainability of its operations, to equal employment opportunities, and to ensuring that the benefits of its operations flow to the region and the greater local community in all regions in which the Group operates. Phosboucraa is a shining example of this policy.

The establishment of the Phosboucraa Foundation in 2014 is yet another illustration of OCP Group's commitment to sustainable agriculture, human development through health and education, and the overall prosperity of the region. OCP and Phosboucraa will continue to act responsibly in the interest of the local community, their employees and retirees, their customers, and farmers, and will persevere in striving for a better future of the southern regions.

#### **About OCP**

OCP is a global leader in the fertilizer industry, backed by almost a century's production history. OCP has exclusive access to the largest phosphate rock reserve base in the world. It is one of the lowest cost producers of phosphate rock in the industry and has become a leading player in production and trade volumes across the phosphate value chain. OCP employs 23,000 people and contributes to regional development through its mining and fertilizer operations, and through its sustainability program.

For more information visit: [www.ocpgroup.ma](http://www.ocpgroup.ma)

#### **About Phosboucraa**

OCP Group's operations at Boucraa, in the Southern Provinces of Morocco (the "Region"), are conducted by its wholly-owned subsidiary Phosboucraa, which reserves represent 1.6% of Morocco's total phosphate reserves. Phosboucraa is the largest private employer in the Region employing nearly 2,200 people of which 76% are local. Phosboucraa's operations support 50 local subcontracting companies, which in turn employ 627 people from the Region. All Phosboucraa profits are reinvested locally in maintaining and developing its operations and supporting and developing dynamic and thriving regional and local ecosystems, economically and socially. The ongoing USD 2 Billion programs, includes the development of a large-scale fertilizer plant dedicated to the African continent, a flotation and beneficiation unit to preserve the phosphate resources and increase the lifespan of the reserves, a port, a water desalination plant with large excess water destined to the local community and region, and a technopole with a world class research university with a focus on arid agriculture and renewable energies. These investments and the initiatives supported by the Phosboucraa Foundation are intended to ensure that Phosboucraa will be an ongoing source of wealth and prosperity for the Region and its community.

For more information visit: [www.phosboucraa.ma](http://www.phosboucraa.ma)