



EUROCHEM

Joint-stock company «Lifosa»

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Lithuania, Kėdainiai, 20 July 2012

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

Dear Sara Eyckmans,

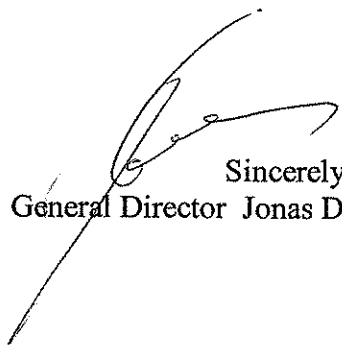
Thank You for Your letter received by us on 10.07.2012. We greet your concern regarding the community of Western Sahara and ability to encourage business subjects to conduct socially responsible policy. We are also concerned for company's "Lifosa" activity to meet the principles of Global Compact.

On 6 June 2011, the United Nation decided to eliminate our company from the United Nations List of Socially Responsible Corporations. AB "Lifosa" respects this decision. We declare under our sole responsibility that this event has impact on the image of our company, however, it will not affect our company's social policy in any way: to respect and protect human rights, to treat employees as equal partners, to contribute to environment protection and fight against manifestations of corruption. All these words would be worthless if they were not confirmed by the activity performed by AB "Lifosa". During the period between 2011 and 2012, the company performed several actions to change the situation regarding the purchase of phosphate raw materials:

- In 2012, despite qualitative and quantitative costs of signed new contracts, phosphorite to "Lifosa" was supplied from 6 countries (during the period between 2009 and 2010, the suppliers were only Russia and 2 fields of Morocco, one of which was in Casa Blanca). The share of import from Morocco decreased significantly. (In 2011, the Morocco apatite composed 55.9% of all raw material purchased by AB "Lifosa", whereas in 2012 – this number decreased to only 6.5%).
- We understand that the reduction of the amount of phosphate raw material purchased from Morocco is only one of the possible actions taken by AB "Lifosa". In addition to performed assessment of opportunities of technological, investment, commerce and logistics changes, we are simultaneously working with analytic Lithuanian non-governmental organization in order to find the solution to this problem and make contact with the community of Western Sahara.

We are open to all Your suggestions and recommendations. We understand that consultations with the community of Western Sahara, as the pre-condition for the trade with Morocco, is an acceptable variant to WSRW. In this context, AB "Lifosa" is open to WSRW suggestions regarding the potential partners that would represent the community of Western Sahara.

We are always determined to actually implement the goals we set as socially responsible company. In this particular situation regarding the community of Western Sahara, our aim is to seek cooperation and mutual understanding with the community of Western Sahara without violating the rights of neither community. We are looking forward to Your understanding and close cooperation. Any provided suggestions will be discussed and all our opportunities in seeking the implementation of this aim will be assessed.



Sincerely yours,
General Director Jonas Dastikas

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