



# GENERAL SUSTAINABILITY POLICY

APRIL 2020  
OCP GROUP



## I. PURPOSE

As a major contributor to the global fertilizer market, OCP Group supports the transition towards a more prosperous, sustainable, and resilient agriculture. The Group is vertically integrated, from phosphate rock extraction to phosphoric acid and fertilizer production, and therefore strategically positioned to deliver its mission: contribute to sustainably feeding a growing world population. This implies considering the environmental, social and governance impacts in every decision that is made.

This policy sets out OCP Group's integrated approach towards sustainable development to identify, assess and minimize potential adverse impacts related or linked to its business, as well as to maximize positive impacts and seize opportunities to sustain OCP Group's business model.

In addition, this policy is aligned with the 2030 Agenda and the Sustainable Development Goals (SDGs). For further information regarding specific SDG contribution, please refer to each specific operational policy.

## II. SCOPE

This policy is relevant to all OCP Group's and its affiliate's relationships with employees, local communities and business partners worldwide (subcontractors, suppliers and joint ventures, among others) in what they do on its behalf. In those situations where OCP Group does not have full management control, it will exercise available leverage to influence compliance with this policy.

The Group will always comply with applicable laws and respect the rule of law. In situations where there is a potential discrepancy between legal requirements and international human rights norms, OCP Group will seek to uphold its company values defined on its Code of Conduct. In doing so, The Group will consider all options, including refraining from new or existing investments and activities.

## III. COMMITMENTS

The Group has adopted an integrated approach towards sustainable development and is committed across its value chain to:

- Ensure responsible and inclusive management.
- Enhance sustainable production.
- Create shared value for all stakeholders.

### 3.1. Ensure a responsible and inclusive management

The Group is committed to:

- Enhancing ethical behaviour and prevent corruption, bribery, embezzlement, insider dealing, money laundering, fraud, anti-competitive practices, collusion, improper use and disclosure of stakeholders confidential or sensitive information including intellectual property.



- Developing an agile, innovative, and inclusive governance that enables the anticipation to sustainability challenges and adaptation to an increasingly complex environment while sharpening its business model.
- Transversally fostering innovation and Research & Development to improve the environmental and social footprints of both activities and products.
- Respecting internationally recognized human rights in line with the UN Guiding Principles on Business and Human Rights. Furthermore, aligned with UN's Framework Principles on Human Rights and the Environment (2018), OCP Group considers the right to a safe, clean, healthy and sustainable environment as part of the internationally recognized human rights.
- Providing all employees a safe and healthy work environment as well as building and maintaining a strong safety culture.
- Offering a comprehensive range of training activities to guarantee employees success in their current positions as well as continuously learn and grow while addressing functional sustainability challenges that lead the way towards sustainable development.
- Ensuring equal opportunities to all its professionals throughout their employee lifecycle – hiring, working conditions, remuneration, training, development and performance, and succession planning.
- Proactively engaging trade unions and employees with a view to strengthen relationships.
- Promoting responsible procurement practices to identify, prevent and mitigate direct and indirect social, environmental and governance risks related to OCP Group's business relationships with suppliers as well as to value local procurement.
- Guaranteeing that the rights and needs of landowners and local communities are assessed and addressed prior to any activities involving land acquisition and resettlement.

### **3.2. Enhance a sustainable production**

#### 3.2.1. Operational excellence

The Group is committed to increase its operational excellence to efficiently deliver its industrial development plan consisting in doubling its mining capacity and tripling its processing capacity by 2027 while meeting the world's exponential food needs. OCP Group aims to maximise input use and quality by developing an industry 4.0 and leveraging digitalization around advanced analytics, advanced automation and digital services.

#### 3.2.2. Circular economy

In order to decouple its growth from resources consumption, OCP Group is committed to adopting a circular economy approach encompassing waste and pollution management, keeping materials and products in use, and regeneration of natural systems.

The Group seeks to engage its whole value chain to:

- Maximize the use of its phosphate deposits to limit the development of new extraction sites.



- Preserve phosphate resources through a better recovery of P at phosphate rock level as well as by-products valorisation linked to phosphorus.
- Promote phosphorus recovery through nutrient recovery feasibility study as well as research and innovation in phosphorous recycling.
- Support products and technology development for improved phosphorus efficiency (smart fertilizers allowing better nutrient absorption).
- Efficiently manage its global energy consumption to reduce its carbon footprint while developing low carbon and renewable energy. OCP Group is also committed to transparently report independently verified energy use and greenhouse gas emissions as well as to manage climate change-related risk through adaptation to present and future-predicted physical impacts of climate change.
- Significantly lower air emissions, especially SO<sub>2</sub> and fluorine emissions through a best-in-class technology development and a state-of-the-art environmental management system to achieve environmental excellence.
- Optimize water consumption and transition to non-conventional water resources, including treated (domestic) wastewater and desalinated seawater.
- Design sustainable products and agricultural practices to ensure food security. It goes through the development of smart fertilizers (with better nutrient absorption, higher resistance to different climate factors such as heat and rainfall), plant nutritional value and innovative solutions based on the 4R framework to offer the right fertilizer, at the right time, in the right place and at the right rate, to all farmers.
- Transform waste into resources in line with its cradle-to-cradle management approach. OCP Group aims to create industrial symbiosis to make its waste a new source of value and input for nearby companies, especially for but not limited to vanadium, steel scrap, oils and batteries.
- Rehabilitate mines to value land's economic and natural capitals through recovery and smart planting by using crops adapted to local conditions and processed in experimental farms and local cooperatives.

### 3.2.3. Industrial ecosystem

The Group is committed to foster a local and sustainable industrial ecosystem and to:

- Develop partnerships with major international and national operators contributing to the emergence of clusters and platforms near its sites.
- Encourage collaboration between international companies and Moroccan companies favouring the establishment of industrial groups.
- Offer incentives for capacity development to local small and medium enterprises (SMEs).
- Support local entrepreneurship.
- Promote sustainability best practices among suppliers and local SMEs.

### 3.3. Create shared value for all stakeholders

OCP Group stakeholders are defined as individuals, groups and organizations that influence directly or indirectly the decisions of the company, as well as those who are affected by the decisions of the company.



OCP Group has identified the following groups as their main stakeholders:

- Employees.
- Business partners: subcontractors, suppliers, customers, joint ventures, investors and other partners.
- Local affected communities and NGOs.
- Authorities, regulators and supervisors.

OCP Group is committed to proactively engage with these groups in order to ensure that the company's sustainable standards and practices are extended to its whole value chain, as well as, to ensure that their rights are respected, according to the following principles:

- Promote a sustainable business model that creates value for its stakeholders by identifying, preventing and mitigating the potential environmental, social and governance (ESG) risks of OCP Group activities and that could affect its stakeholders.
- Identify the expectations and needs of OCP Group stakeholders through open dialogue and consultation mechanisms, to include the most relevant requirements in the company decision-making processes and build strategic community investments programs.
- Provide accessible and trustful channels for gathering stakeholders' opinions, suggestions, needs and complaints.
- Ensure transparency, integrity and ethics in the relationships and communications with OCP Group's stakeholders.
- Measure and monitor stakeholder satisfaction.

#### **IV. IMPLEMENTATION**

The Group will implement the following lines of action:

- Incorporating sustainability into the policies that govern all OCP Group's activities as appropriate. This has been initiated through the adoption of the following policies:
  - General Human Rights Policy and its operational policies.
  - General Human Capital Policy and its operational policies.
  - General Environmental Management Policy and its operational policies.
  - General Climate Change Policy and its operational policies.
  - Quality Policy.
  - Anti-bribery Policy.
  - Purchasing Policy.
  - Tax Policy.
  - Innovation Policy.

The whole of these policies is available on <https://www.ocpgroup.ma/en/sustainability/policies-and-standards>.

- Integrating sustainability risk assessment into business processes as appropriate.



- Engaging with relevant, potentially affected stakeholders in assessing and addressing impacts.
- Setting specific, measurable, attainable, realistic and timely objectives.
- Adopting corrective action plans and improving existing management systems.
- Measuring and disclosing progress.
- Including sustainability requirements within contractual arrangements with business partners as appropriate.
- Providing access to remedy through effective, legitimate, fair and transparent grievances mechanisms.
- Promoting sustainability best practices and synergies with stakeholders. OCP Group believes in a multi-stakeholder approach to effectively head towards an inclusive and sustainable development that can be maintained long-term.

## V. GOVERNANCE

The responsibility of this policy lies under the ESG / Ethics Committee that reports at least twice a year to the Board of Directors / Chief Executive Officer.

## VI. COMPLIANCE AND MONITORING

With the aim of identifying, preventing, mitigating and responding to any potential environmental, social, and/or governance risk related to OCP Group's activity, and since these risks may change over time, OCP Group will conduct an ongoing process of risk identification and management in order to ensure the compliance with the commitments stated in OCP Group's policies.

## VII. REPORTING

For more information on OCP Group's approach to sustainability, please see OCP Group Sustainability report available on its website: <https://www.ocpgroup.ma/en/investors/annual-report>.

For consulting all the above-mentioned policies, please visit OCP Group's website <https://www.ocpgroup.ma/en/sustainability/policies-and-standards>.

## VIII. REVIEW

OCP Group will periodically review this policy to evaluate its relevance, to monitor compliance and to drive continuous improvement. OCP Group welcomes feedback and encourages dialogue with any interested party. All feedback and comments on this policy should be sent to: [sustainability@ocpgroup.ma](mailto:sustainability@ocpgroup.ma).

Signature: Senior Vice President – Sustainability Platform

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